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Latin America Report

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INTER-AMERICAN AFFAIRS

PERU TO PRESENT JOINT INVESTMENT PROPOSALS TO ANDEAN GROUP

Lima EL COMERCIO in Spanish 27 Mar 85 p A-6

/Text/ Fifteen investment projects for joint development with foreign capital will be presented by Peru at the Andean Group's first Forum for Investors to be held in the city of Cartagena, Colombia, next May 28 to 30.

The package of 15 Peruvian projects requires investment of \$43 million and will compete with 39 projects from the rest of the area, which in turn require \$283 million.

Included are projects in the food processing industry, one of which, to make tomato paste, requires an investment of more than \$12 million. Another, requiring an investment of \$8 million, is in the fishing industry. There are also projects in mining, capital goods and forestry.

The announcement of these possible investments in Peru and the rest of the countries of the subregion was made yesterday by the Committee of the Cartagena Agreement to the commercial attaches of 20 developed countries of Europe, Asia and North America for its dissemination abroad.

The aim is to achieve the maximum participation of investors in the Cartagena Forum, where it is hoped to gather a thousand of them to discuss the terms of investment with the Andean promoters, most of whom are private companies.

This important meeting is also sponsored by the Andean Development Corporation (CAF) and the Latin American Association of Financial Institutions for Development (ALIDE).

The announcement to the commercial attaches was made by the head of this Cartagena Committee (Junac) program, Hernando Otero, who explained the subregion's capital needs and its limitations with regard to international credit.

In order to achieve the greatest possible success for the meeting, the organization has sent out information to more than 2,000 financial institutions, trade union and business organizations and economic associations all over the world that might be interested in the new Andean projects.

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CSO: 3348/571

INTER-AMERICAN AFFAIRS

ANDEAN GROUP, EEC SIGN TECHNICAL COOPERATION ACCORD

Lima EL COMERCIO in Spanish 27 Mar 85 p A-12

/Text/ The coordinator of the Cartagena Agreement Committee (Junac) Edgard Moncayo Jimenez signed a technical cooperation agreement with the European Economic Community (EEC) for the development of industry and subregional trade in the Andean Group.

The agreement, signed at JUNAC's headquarters, will be in effect between 1985 and 1987, with a joint contribution of six million European Currency Units (ECU). It is the second agreement undertaken as a result of the framework agreement signed December 17, 1983 by the Andean Group and the EEC.

The signing of the agreement took place on the occasion of a visit to Junac by an EEC mission composed of Emiliano Fossatti and Simon le Naelou of the Technical Cooperation Division based in Brussels and Elizabeth Dhont, of the EEC's delegation to Latin America based in Caracas.

During its stay in Lima, the EEC mission met with top Junac officials and exchanged information on technical cooperation programs now in progress or already completed.

The funds for the new EEC-Junac agreement will be used for specific programs for industrial development, movement of goods and people within the subregion, traffic, and creation of a databank.

In the industrial area, arrangements to rationalize and modernize existing factories in the subregion will be set in motion with the assistance of European experts.

Other tasks are the encouragement of capital goods industries, the Andean Investment Promotion Program, technical standardization, certification of quality and measurements.

Also technological projects for industrial development and others to achieve a better redistribution of the benefits of Andean integration in the manufacturing and agribusiness fields.

INTER-AMERICAN AFFAIRS

GUYANA PPP ORGAN NOTES 'EXECUTION' OF 'PATRIOTS' IN JAMAICA

Georgetown MIRROR in English 24 Mar 85 p 4

[Text] The Workers' Party of Jamaica (WPJ) has launched out on a broad campaign both inside and outside of that troubled Caribbean island to force an early investigation into the killing last month of three patriots by police.

Joseph Robinson, former studio technician in the Jamaican Information Service, Karl Hughe, unemployed and Patrick Lewis, well-known drummer and former diplomat were all 'executed' last 25 February by members of the police force.

The police bosses are mum as to the real motive of the killing but the view is widespread that it was politically motivated and organised since all three victims were at one time or another active in politics and were strong opponents to the rule of Edward Seaga.

Violence is one of the characteristics of the Jamaican political scene and there are clear indications that this violence is directed by the rulers of Jamaica backed by the Reagan Administration. Reports coming out from that island, whose economy has been shattered by IMF dictat and U.S. control, indicate that reactionary elements are hatching a plot to divert the attention of the exploited Jamaican masses. The plot aims to cast blame on communists for the ills of the country which would serve as a pretext to lash out against opposition forces, especially the communist WPJ which is the most consistent fighter against the anti-working class policies of the Seaga regime.

The shooting of the patriots has sparked protests from various quarters in the Caribbean. In Guyana, PPP International Secretary, Clement Rohee, despatched a strong protest to Jamaica's Prime Minister, Edward Seaga, National Security Minister, Winston Spaulding and Police Commissioner, Herman Ricketts. The party expressed 'horror' at the shooting and likened it to the 'brutalities now committed by the security forces of the racist regime of South Africa.'

The letter demanded the immediate setting up of a Commission of Inquiry to investigate the circumstances of the shooting, make the findings public and bring to justice those guilty. 'We call upon you to halt any further acts of repression being contemplated against the democratic and patriotic forces in Jamaica,' said the letter.

ARGENTINA

BRIEFS

MATERIEL FOUND IN TUCUMAN--A large amount of war materiel was found scattered alongside the highway connecting this city with Famailla near the locality of La Reduccion, some 330 kilometers south from here. The provincial police went to the site alerted by an anonymous telephone call and found cartridges, bullets from Mausser and light automatic rifles, from Itaka shotguns and some cartridge clips. The scattered manner in which this equipment was found, and the discovery of an empty burlap sack several feet away leads to suspect that they were thrown from a moving vehicle. The Tucuman chief of police Guillermo Corvalan Costilla arrived moments after the discovery to learn about the details. Later the chief of police submitted a detailed report to the governor of the province, Jorge Cuneo Vergez. The security forces declined to make any statements on the possible origin of the abandoned bullets in such an unusual place. [Text] [Buenos Aires LA PRENSA in Spanish 21 Apr 85 p 4]

CSO: 3348/631

BAHAMAS

PARLIAMENTARY DEBATE ON DRUGS INQUIRY ENDS SUDDENLY

No-Confidence Motion

Nassau THE TRIBUNE in English 1 Apr 85 p 1

[Text]

THE month-old debate on the Commission of Inquiry report ended abruptly in the House shortly before 5 pm today with neither side willing to continue the debate. After a 15-minute recess Opposition Leader Kendal Isaacs moved a vote of no confidence in the Prime Minister.

Opposition Pine Ridge MP Cecil Wallace-Whitfield then moved for the resignation of all members of the House and Senate who were found by the Commission to have been involved in any way with the trafficking of drugs. He also moved that a Royal Commission be appointed to investigate corruption in government with Mr Robert Ellicott, QC--Commission Chief Counsel--being invited to act as chief counsel to the new Royal Commission.

The House was adjourned to May 1.

The debate, which had been expected to continue for several more weeks, came to an abrupt end when the Opposition refused to put any more of its members on the floor until Government members entered the debate. The Opposition, which had been carrying the debate, had only six more members left to debate to Government's 32. Only five

Government members, including former Deputy Prime Minister Arthur Hanna, have entered the discussion on the Commission's report.

It was indicated that former Tourism Minister Perry Christie would speak after FNM Marco City MP C A Smith completed his contribution today. But for some reason, Mr Christie was replaced by Deputy Speaker George Mackey. When Mr Mackey had completed his short address no other Government member got up to speak.

The Speaker put the question to the House. It was voted that the Governor should be thanked for appointing the Commission. The House was then adjourned for 15 minutes.

During the recess an Opposition member said that as far as they were concerned Montagu MP Orville Turnquest had put their case and their speakers were just developing different aspects of what Mr Turnquest had said. Mr Turnquest spent five days on the floor in a scathing denunciation of persons who the Commission had found had facilitated the trafficking of drugs.

Before going to the House today Opposition parliamentary members had decided that they would not continue if Government members refused to debate.

In a six-page resolution Mr Isaacs called for a vote of no

confidence in the Prime Minister in whom, with his Cabinet, had been entrusted the governing of the Bahamas "for the time being." The resolution said that the Prime Minister and his Cabinet were "responsible for the maintenance of the peace, prosperity, good order, essential services, defence, proper relations with other countries, democratic institutions and traditions, individual rights and the general welfare of the Bahamian people."

But, continued the resolution, the Prime Minister and his Cabinet had "failed to carry out their responsibilities in a satisfactory manner and as result of their failure the peace and security of the Bahamas are threatened, unemployment is at an unacceptably high level,

physical infrastructure of the Commonwealth has not been sufficiently developed and has in many areas deteriorated, our democratic institutions have fallen into disrepute, individual rights have been violated, our relations with traditional friends have deteriorated and prospects for future prosperity are dim."

Mr Whitfield's two-page resolution said that "the members of the House of Assembly and of the Senate found by the recent Commission of Inquiry to have been involved in or to have facilitated the smuggling of drugs, or to have received payments directly or indirectly from drug traffickers or smugglers, or to have received other questionable payments or loans" those "recommenda-

tions made by the Commission be implemented and the necessary action be taken."

The debate on the Commission's report was opened on February 6 by Kendal Nottage, former Minister of Youth, who the Commission found, "whether he knew it or not," had fronted for Michael Caruana, a mafia associate.

This evening Tribune telephones started an incessant ringing with members of the public wanting to know if the "rumour" going around town about the debate being over was true. Assured that the rumour was indeed true, one caller remarked: "Holy cow! That can't be so! That just can't be so. Why they ain't finish yet."

FNM Plan for Probe

Nassau THE TRIBUNE in English 2 Apr 85 p 1

[Text]

THE FNM gave notice yesterday that at the next sitting of the House it will move a resolution condemning and calling for the resignations from Parliament of persons found to have been involved in or facilitated drug smuggling, received payments directly or indirectly from drug smugglers or to have received "other questionable payments or loans."

The resolution also calls for the appointment of a Royal Commission of Inquiry, with Robert Ellicott, QC, as chief counsel, to investigate and report on corruption in the Government.

FNM National Chairman Cecil Wallace-Whitfield notified parliamentarians of the Opposition's desire to have the

resolution put on the House's agenda after debate on the Commission of Inquiry report came to a close.

Mr Whitfield was preceded in his notification by Opposition Leader Kendal Isaacs, QC, who gave notice of a no confidence motion in Prime Minister Sir Lynden Pindling's leadership to be moved when the House reconvenes May 1.

Mr Whitfield's resolution calls for adoption of the opinion that the recommendations of the Commission of Inquiry into drug trafficking and corruption in the Bahamas be implemented and the "necessary action taken thereon forthwith."

It suggests that chief counsel

to the Commission Robert Ellicott be presented with an address thanking him for his service to the people of the Bahamas "in the professional discharge of his duties" to the recent Commission.

The resolution recommends that Mr Ellicott be invited to be chief counsel to a Royal Commission of Inquiry into corruption in Government, whose President will be appointed by the Governor-General "in his absolute discretion."

It further requests, concerning the other two Commissioners, that one be appointed by the Governor-General on the advice of the Prime Minister and the other on the advice of the Leader of the Opposition.

Nassau THE TRIBUNE in English 3 Apr 85 p 1

[Text]

PLP CHAIRMAN Sean McWeeney claimed Tuesday that the Parliamentary debate on the Commission of Inquiry report has not hurt Prime Minister Lynden Pindling politically.

Contacted by The Tribune for his views on the debate, Mr McWeeney said that Sir Lynden commands just as much support in Parliament today as he did before the debate.

"The perception that appears to prevail now is that the FNM thought the best they could get was a stalemate situation," he told The Tribune. He said the debate was shaping up into a marathon session when the FNM realized that they would exhaust all their speakers and leave the Floor open to Government Members.

"They went back to the drawing board and returned with a new strategy," he said, referring to two Oppositions resolutions, including a vote of no confidence in the Prime Minister.

The second resolution condemns and calls for the resignation from Parliament of those persons found to have been involved in or facilitating drug trafficking, received payments

directly or indirectly from traffickers, or received "other questionable payments or loans."

"There wasn't any new disclosures. All you had for the first time was excessive comments of facts that (were already known). I doubt the FNM said anything that they haven't already said at their rallies. It was quite anticlimatic, really," Mr McWeeney said.

He felt conclusions over House Leader Clement Maynard's failure to defend Sir Lynden following a scathing attack by the Opposition "would be a very unfair approach to take." He said Mr Maynard has stated publicly at recent "Solid as a Rock" rallies that he is 100 per cent behind the Prime Minister.

"He (Maynard) is more than competent to make his own decisions. I don't think it's fair to read anything into this. I don't think he's (Pindling) lost any support at all (as a result of the debate)," Mr McWeeney said.

He said he would be surprised if any PLP supported an Opposition-sponsored vote of no-confidence.

Mr McWeeney denied that Sir Lynden was showing contempt by not attending the House debate. He said that Sir Lynden has been working on Ministry of Finance matters almost on a daily basis.

"The position we're taking is the whole thing has to be fought on different fronts," he said.

Mr McWeeney said that the party has been taking its case to the Family Islands by some Members while others have "adequately" fought it in the House. In the meantime, he said, Government was getting on with the business of running the country.

"I believe the party's spirits are running high. We had an extremely successful visit to Kemp's Bay on the weekend," Mr McWeeney declared. Sir Lynden was accompanied to Kemp's Bay by Transport Minister Philip Bethel and Marsh Harbour MP Edison Key.

Mr McWeeney said that over 99.9 per cent of the Kemp's Bay constituency turned out. He pegged the crowd at between 500 and 600. However, ZNS television viewers estimate the crowd was no more than 300.

BAHAMAS

TUC CALLS FOR GOVERNMENT RESIGNATIONS, CLEAN-UP OF CORRUPTION

Nassau THE TRIBUNE in English 3 Apr 85 pp 1, 4

[Article by Anthony Forbes]

[Text]

THE Trade Union Congress today demanded that a "massive clean-up" of Bahamian society be started immediately with the resignations of politicians named in the Commission of Inquiry report, fresh general elections and punishment of those who assisted drug trafficking in the Bahamas.

Calling for the appointment of another Commission of Inquiry to investigate all forms of corruption in the Bahamas, the TUC said that it is even more convinced now that general elections are necessary to bring about decent government.

The TUC also called on Prime Minister Sir Lynden Pindling, St Agnes MP Kendal Nottage, Rolleville MP George Smith and Bimini MP George Weech "to resign from parliament forthwith" to begin the process of restoring a sense of decency and honour to government, parliament and country.

"The TUC believes that a massive clean-up of our society is necessary, and we demand that the process be started immediately," TUC Secretary General Leonard Archer declared at a press conference, which was also attended by other TUC executives.

"The resignations of politicians named in the Commission's Report is the first step

in this process," he said. "A general election is the second step.

"The third step would be for the new Parliament to pass the necessary laws, and the final step would be for the new Attorney General to take action to punish all those who assisted the nefarious trade of drug trafficking in the Bahamas," he added.

The TUC's response to the Commission of Inquiry came after the executive board had debated it for two days, TUC President Arlington Miller of the Bahamas Public Services Union, told reporters.

TUC executives present for today's press conference included Mr Archer, Mr Miller, Drexel Dean of the Water Union, Keith Archer and Audley Williams of the BCPOU, Mrs Earla Baines and Mr Berkely J Smith of the BUT, and Mr H H Minnis of the Construction Union.

Speaking on behalf of the executives, Mr Archer said that in July, 1984, at its Triennial Congress, the TUC passed a resolution calling for general elections after the Commission of Inquiry had reported its findings, a stand which was reiterated when the leadership met for a two-day retreat in North Andros last September.

Mr Archer said that now that the Commission had reported

and the Report had been read and debated in parliament, "the TUC is even more convinced that general elections are necessary in order to bring about decent government in the Bahamas."

"The TUC unreservedly accepts the findings of the Commission of Inquiry," he said. "Our only regret is that because of its narrow terms of reference, the Commissioners did not look into the other obvious forms of corruption, which was revealed during the hearings."

"The TUC therefore calls for the appointment of another Commission of Inquiry to investigate all forms of corruption in the Bahamas," Mr Archer read from a prepared statement.

He said that of great concern to the TUC is the response of many Bahamians to the findings of the Commission "and we are at a loss to explain this response."

"We remember the condemnation of the UBP government by the Bahamian people in 1966, when revelations were made about gambling payoffs to government politicians, and we wonder why there is not a similar condemnation of the PLP government, when it is revealed that ministers of the government, and members of parliament, took payoffs from drug smugglers or fronted for the Mafia," Mr Archer said.

"We are forced to ask, whether the response in 1966 was a genuine abhorrence of corrupt practices in government or was it simply a racist response of a black population condemning white politicians," he said.

"We hope that this is not the case, and that the condemnation, though a little slow in coming, will come," he said.

Mr Archer said that the TUC totally rejects any suggestion that because the PLP is a black government it must be treated differently from a white government.

"As a matter of fact, we believe that only the highest ethical and moral standards should be expected, and accepted from a black govern-

ment," he said. "Because of the actions of some members of the PLP government, black government, and black people have been disgraced, and we demand that the guilty ones be punished."

Mr Archer said that in 1966 the Prime Minister, who was then Leader of the Official Opposition, and the PLP, asked Bahamians the question: "Where did the money go?" but in 1985, the TUC asks the Prime Minister: "Where did the money really come from?"

"The TUC feels that the Prime Minister owes the Bahamian public an explanation about his finances, and we hope that the explanation is not long in coming," he said.

He further recalled that in 1966, the Prime Minister, as Leader of the Official Opposition, returned a substantial contribution to the Grand Bahama Port Authority, arguing that to accept such a contribution would corrupt the PLP.

"Mr Pindling was correct in 1966," Mr Archer said. "In light of this we ask: How is it that contributions, in the form of loans and gifts, from the same Port Authority, does not have the corrupting influence in the 1980s as they would have had in 1966?"

"It is our view that the effect is the same, and therefore we regretfully conclude, that the acceptance of large loans and gifts from the Port Authority and other persons and sources, has corrupted the office of the Prime Minister, and brought it into disrepute, and that the persons who by giving and receiving, corrupted the office, should be removed from public life in the Bahamas," Mr Archer said.

He said the TUC accepts the findings of the Commission as findings of fact and is not impressed by the many excuses that are being offered to explain the conduct of the Prime Minister and members of his government.

"We accept that Mr Bannister received drug money, and that Mr Nottage fronted for the Mafia. We accept also that these two men made

substantial payments to the Prime Minister," he said. "On this basis, we are forced to conclude that some payments received by the Prime Minister were probably drug related."

"We accept Bishop Gomez's contention that the Prime Minister showed a lack of prudence and good sense, and we wonder if the reason for not asking questions, was to provide the necessary excuse, if the payments were ever found out," said Mr Archer.

"The attitude: 'Don't tell me, I don't want to know,' is a denial of the responsibility of leadership, and anyone who behaves this way, is unworthy of the mantle of leadership," he said.

Mr Archer noted that the Bahamas government operates under the Westminster system and that it is fundamental to the operation and integrity of the system, that members of the government who bring disgrace on the system, do the honourable thing and resign.

"It is most unfortunate that those members of the PLP, against whom adverse findings, or adverse comments have been made, have not yet done the honourable thing and resigned from parliament," Mr Archer read. "It is therefore left to the people to demand the resignations of those men."

The TUC Secretary General noted that the Prime Minister had not told the full truth when he told the Commission that he had turned over to them all the bank accounts on which he signed, but conveniently forgot to tell them about the Family Island Development Fund, which he controlled.

He claimed that Sir Lynden was also less than truthful when he gave the Commissioners conflicting reasons why he did not declare the loans and gifts he had received, and the payments from Bannister and others.

According to Mr Archer, the Prime Minister compromised the office of Prime Minister when he accepted money from the Grand Bahama Port Authority.

"How could Mr Pindling be independent and fair when

dealing with the Grand Bahama Port Authority, when he knew in the back of his mind that he was beholden to the principals of the Port Authority?" Mr Archer asked.

"The TUC finds it utterly distasteful that the Prime Minister had to secretly borrow money from the Grand Bahama Port Authority. The TUC recalls that in 1983, when the Port Authority sacrificed the careers of a number of Bahamian air traffic controllers, the Prime Minister did nothing to protect the careers of the Bahamian workers, despite numerous appeals from the then union president and the TUC.

"We are therefore forced to conclude that the Prime Minister was unable to act, because to do so would have disturbed the cozy relationship that he had established with the principals of the Port Authority," Mr Archer said.

Thirdly, he said, the Prime Minister's friendship and association with Mr Nottage and Mr Bannister, both of whom, he claimed, have ties with Mafia figures, makes him an unfit person to be Prime Minister.

"The TUC, on behalf of all the working people of the

Bahamas, therefore calls on the Prime Minister, the Rt Hon Sir Lynden O Pindling, Mr Kendal Nottage, Mr George Smith and Mr George Weech, to resign from parliament forthwith," he said.

"We believe that their resignations would begin the process of restoring a sense of decency and honour to our government, our parliament, and our country," he added.

Mr Archer said that the Commission's Report also revealed levels of corruption in the Police Force and in other enforcement agencies.

"The TUC demand that immediate action be taken to clean up the Police Force, by ridding the force of all corrupt officers," he said. "Similar action must be taken in the Judiciary, in Customs and Immigration."

He said that the report also revealed serious corruption in the legal fraternity, and the TUC demands that immediate action be taken against those lawyers who knowingly assisted drug smugglers in the Bahamas.

"If the Bar Council is unable to do its job, then we demand that the Attorney General act on behalf of the Bahamian people," Mr Archer said.

He said that the most distressing aspect of this whole affair, is the subsequent revelation that some ministers of the gospel have been seriously compromised by their uncritical support for corrupt politicians.

"The TUC demands that church congregations take action against those ministers who have been compromised," he said.

"The TUC also calls for the expulsion from the banking system, those bankers who also assisted drug trafficking by displaying the attitude - don't tell me, I don't want to know," he said.

"These persons, by laundering drug money, allowed the trade to flourish, and are no less guilty than the politicians and the enforcement officers," the TUC Secretary general declared.

Finally, the TUC demanded that the laws be amended so that the assets of these persons who participated in the drug trade can be seized.

"We see it as being patently unfair for the Barry Thompsons of the Bahamas, to be able to publicly flaunt their wealth when a number of Bahamians have been ruined, and some have even died because of this activity," Mr Archer said.

BAHAMAS

REPORT ON PINDLING ACTIVITIES, DISCUSSIONS IN FREEPORT

Nassau THE TRIBUNE in English 13 Apr 85 p 1

[Text]

PRIME Minister Sir Lynden Pindling was in Freeport Friday reportedly searching for offices to locate branches of the Ministries of Finance and Economic Affairs and a Registry Office.

It is also believed that the Prime Minister met with members of the Grand Bahama Chamber of Commerce, whom he addressed at a seminar three months ago.

The Prime Minister was seen being escorted to his car by his bodyguard Chief Inspector Gerard Burrows and other plainclothed police officers after leaving an office building in downtown Freeport shortly after 3pm yesterday.

No one was allowed to photograph the Prime Minister.

In an address to the Grand Bahama Chamber of Commerce in late January, the Prime Minister promised that his Government would establish branches of the Registry and Ministries of Finance and Economic Affairs in Freeport within three months.

At that time, the Prime Minister also asked the Chamber to review the provisions of the Hawksbill Creek Agreement, which expires in 1990 and the US-sponsored Caribbean Basin Initiative (CBI) and the Third Lome Agreement, as to their relevance to Grand Bahama.

The Prime Minister further asked the business community to establish a Business-Industrial Council, a tripartite arrangement embracing the Chamber, Port Authority and the Government.

In addition, he asked the Chamber to conduct a study on the problems of the citrus fruit growers in South Florida, who have been hard hit by frost in recent months, to investigate the possibility of growing citrus on Grand Bahama and Abaco.

The Prime Minister promised to return to Freeport within three months to meet with the Chamber again to review the progress made on his plan.

CSO: 3298/597

BAHAMAS

FNM FILES COURT ACTION AGAINST DISCLOSURE COMMITTEE

Nassau THE TRIBUNE in English 18 Apr 85 pp 1, 4

[Text]

THE FREE National Movement today filed a Supreme Court action in the name of Opposition leader Kendal Isaacs for leave to apply for Orders of Certiorari and Mandamus against the Public Disclosure Commission.

The FNM application alleges that the Commission wrongly decided that a complaint made by Mr Isaacs on October 2, 1984, had not been substantiated.

Mr Isaacs's complaint alleged that Prime Minister Lynden Pindling had failed to declare divers payments made to him between 1977 and 1982 in his 'several declarations' submitted under the Public Disclosure Act 1976.

The Supreme Court proceedings launched by Mr Isaacs today seeks leave to apply for an Order of Certiorari quashing the decision of the Public Disclosure Commission, and a further Order of Mandamus directing the Commission to hear the complaint afresh according to law.

The several grounds on which the application is being made are set out in a Statement filed in the Supreme Court, supported by an Affidavit sworn by Mr Isaacs, setting out full details of his case.

Additional supporting affidavits have been filed exhibiting a press statement issued by Attorney General Paul

Adderley on January 16, 1985, with which he published correspondence between the secretary to the Commission and Mr Adderley. An additional affidavit identifies the signatures of Mr Adderley and the secretary of the Commission, Garnet Knowles.

The FNM said that as soon as a date for the hearing of the application is obtained, Mr Isaacs will seek the necessary leave of the Court to proceed with a hearing, on which it will be determined whether the Supreme Court will issue Orders of Certiorari and Mandamus against the Public Disclosure Commission.

According to the Statement, Mr Isaacs is "a party aggrieved" because he has suffered a "legal grievance" in that he has been wrongfully hindered and/or frustrated by the Commission in the exercise of his statutory right under the Public Disclosure Act to expose false declarations by Members of Parliament of their assets, income and liabilities in breach of the Act.

The Statement also alleges that the Commission, in determining Mr Isaacs' complaint, disregarded and/or infringed the principles of natural justice.

It also alleges that the Commission failed to interpret the word "income" as used in the Act, and in particular Section 4, as meaning "receipts." If they did interpret the word as such, "they wrongly assumed powers to treat explanations of non-

compliance with the Act as justifiable excuses for breaches thereof, which error is apparent on the face of the record," the statement claims.

The statement alleges that alternatively, by reason of the above two paragraphs, the Commission's determination of the complaint was rendered a nullity in law "and of no effect whatsoever."

"The applicant fears that unless the Commission is directed as to the correct interpretation to be placed upon the word 'income' as used in the said Act, and its powers to excuse breaches thereof, and further directed to rehear the said Complaint in accordance with those directions, he will not receive justice," the statement says.

In his affidavit, Mr Isaacs said that between January, 1977 and August, 1984, the Prime Minister and Lady Pindling made deposits to their bank accounts of almost \$3.5 million, excluding Sir Lynden's annual salary and government allowances.

Sir Lynden's annual salary varied from approximately \$77,000 in 1977 to \$102,900 in 1982.

Between September 1, 1978 and October 20, 1981, he received either directly or indirectly from Everette Bannister \$670,976.61.

Between April 20, 1979 and February 13, 1981, the Prime Minister received \$565,000 from the Whitfield Corporation.

Between July 25, 1979 and December 21, 1982, the Prime Minister received \$36,000 in cash, the affidavit continued.

On December 18, 1980 and August 30, 1982, Sir Lynden received payments or contributions from the law of firm Nottage, Miller, Johnson and Co, totalling \$50,000.

At various times between January, 1977 and August, 1984, the Prime Minister deposited cash and cheques totalling \$238,821.83 to his bank account.

The affidavit was based on an

investigation into the Pindlings' finances by Insp Frank Richter of the Commission of Inquiry.

The affidavit pointed out that Insp Richter had testified that Sir Lynden admitted that he had failed to disclose, in his annual declarations to the Public Disclosure Commission, any of the payments from Everette Bannister, which had been made to him or for his benefit by Bannister, as he had no firm expectation of receiving the money.

Further, that he did not disclose any of the payments made to him by the Whitfield Corp until February 25, 1982 when he submitted his declaration as at the end of December 31, 1981.

Under the Act, Parliamentarians must disclose their income, assets and liabilities as at December 31 every year by March 1 in the following year.

Subsequent to Insp Richter's evidence, Mr Isaacs said he examined the summaries of Sir Lynden's declarations between 1977 and 1982 and came to the conclusion that "many of the sums mentioned by the inspector in his evidence as having been paid to and/or received by the Prime Minister had not been declared by him in accordance with the provisions of the Act."

Mr Isaacs said he then addressed a letter to Disclosure Commission Chairman William Sweeting, dated October 2, 1984, in which he formally complained that Sir Lynden had failed to declare in accordance with the Act.

In a letter dated October 15, Mr Sweeting acknowledged receipt of the letter.

Since then, Mr Isaacs said he has received no further reply or communication from the Commission.

He was never told whether the Commission proposed to investigate his complaint, and, if so, when it would meet for that purpose.

Under Section 5 (2) of the Act, a declaration furnished by an MP may be accompanied by a statement of affairs certified

by a chartered accountant.

Mr Isaacs said it was his intention to call a chartered accountant to testify concerning what payments, in normal accounting practice, are regarded as "income."

Sometime in January, he said he was surprised to hear a rumour that the Commission had held a meeting in which it had heard the Prime Minister on the matter and determined - in Mr Isaacs' absence - that the complaint was groundless and would be reported to the Attorney General for prosecution under the Act.

On January 15, Mr Isaacs issued a public statement challenging Mr Adderley to initiate public proceedings against him.

The following day, Mr Adderley issued a Press statement, reprimanding Mr Isaacs for his challenge. He also released copies of letters between himself and the Secretary of the Commission between December 31 and January 10.

The first letter informed Mr Adderley that the Commission, after examining the relevant documents and receiving explanations from Sir Lynden, determined that Mr Isaacs' complaint was groundless.

On January 8, Mr Adderley advised the Commission of the evidence he would need for prosecuting Mr Isaacs for making a groundless complaint.

On January 10, Mr Knowles informed Mr Adderley that the December 31 letter should be deemed cancelled and that the complaint was deemed to be unsubstantiated instead of groundless.

Mr Isaacs said he was perplexed by the Commission's decision that his complaint was unsubstantiated, "more so as the Prime Minister himself admitted himself that the payments he had received from Everette Bannister between 1979 and 1981 had not been declared."

He wrote to Mr Knowles about the matter on February 8, but still has not received a reply.

BAHAMAS

YOUTH LEADER QUESTIONS GOVERNMENT ON JOBS PROGRAM

Nassau THE TRIBUNE in English 1 Apr 85 p 1

[Text]

A YOUTH leader wants Youth Minister Livingstone Coakley to outline what plans Government has to create jobs for the thousands of unemployed and for about 4,000 students who will join their ranks in June.

In a letter to Mr Coakley, Torchbearers Association president Tommy Turnquest asked on March 28:

"What plans are being made for the thousands of your people who are jobless and forced into anti-social and criminal acts? What plans are being made for the estimated 4,000 students who will graduate into the unemployed force in June? Is your Government able to stem the unemployment tide that is quickly sweeping over the youth of the nation?"

"Sir," Mr Turnquest told Mr Coakley, "the record is the best judge for answers to these questions and the record of the PLP Government shows that it has failed to do anything to ameliorate the unemployment among young people.

"The situation has worsened to the extent that the thought to seek a job does not even enter the minds of the majority of

high school graduates. This in itself is negative because they, like people in society, have come to accept unemployment.

"However, this acceptance of unemployment must be reversed. We intend to play a major role in its reversal. Every citizen has a right to work and the PLP Government has a duty to provide jobs for those persons willing and able to work. The PLP Government has drastically failed in its duty."

Mr Turnquest said that his letter, written on "behalf of the large number of youths who comprise the monstrous tumour of unemployment which your PLP Government has created," is "only a semblance of our dedication and in the future, our efforts will be in more forceful and meaningful ways to address the problem of unemployment."

He reminded Mr Coakley of Prime Minister Pindling's promise that by 1980 there would be full employment. "That statement," he pointed out, "has not only turned out to be very far from the truth, to the contrary, unemployment has increased."

CSO: 3298/598

BAHAMAS

ANGRY INAGUA RESIDENTS BURN DOWN POLICE STATION, JAIL

Reaction to Arrests

Nassau THE TRIBUNE in English 9 Apr 85 pp 1, 12

[Article by Collin Higgins]

[Text]

THE MATHEW Town, Inagua police station, jailhouse and a police land rover were "burned to the ground" Easter night during a four-hour "disturbance" that erupted after Inagua police arrested two persons.

Asked this morning if anyone was injured, a police officer just back from Inagua said medical attention had to be given to the two persons arrested by police.

No one was shot, he said.

An "intensive" police investigation is continuing on Inagua, one of the southernmost islands of the Bahamas chain, and for this purpose "there would be" more than the usual police contingent on the island.

"Serious crimes" have been committed, including arson, and the Criminal Investigation Department has to investigate, the police source said.

The incident began about 9 pm Sunday when police intended to carry out searches of two Bahamian registered boats.

On Monday, one Nassau police source describing events said officers tried to search a Haitian boat. Residents stopped them.

There is speculation that, if the vessels came from Haiti, they may have been suspected of carrying "Tafia" - an illegal Haitian rum.

The police source said the incident started about 10 pm after police made an arrest.

He said one jeep was burned but no one was shot.

This morning, an officer back from Inagua said the two persons arrested by police were "fine," "up and about" and not confined to the clinic.

No one was shot. He said he had received no information indicating that shots were fired.

Mathew Town was reported to be "quite calm" this morning. "The situation is normal," the officer said today.

There was "a lot of tension" in the community when he arrived in Inagua early Monday morning, he told *The Tribune*.

The people were "riled up" about a local police officer and were "anxious to complain." It is understood that the officer had only been in Inagua for a few weeks, but is now back in Nassau.

"A lot of Government property" was damaged said the police source. He said the police

station, jail house and a police land rover were all "burnt to the ground."

On Monday morning, hours after the incident, a telephone operator in Inagua said she was at work during the night's events but heard that people had been "burning down and ting."

She said she passed by the police station and found it burnt down except for "the wall."

The operator also said she saw Defence Force boats, Defence Force officers and two "Chief Inspectors."

The operator said that because of the crowd she could not tell if the officers were armed.

Throughout the day today, traffic was "extremely" busy on the two telephone circuits to Inagua, according to a long distance operator.

An employee at the Inagua Commissioner's office said the official was on the island, but not in office.

Several calls were made to the Commissioner's office during the day but each time he was said not to be in office and his whereabouts could not be given.

A member of the Inaguan police force referred inquiries to Deputy Commissioner Dudley Hanna (Commissioner Gerald Bartlett is on vacation).

Deputy Commissioner Hanna indicated a report may be received by midday tomorrow and inquiries could be made then.

Commissioner's Report

Nassau THE TRIBUNE in English 10 Apr 85 pp 1, 12

[Article by Colin Higgins]

[Excerpt]

INAGUA'S Commissioner and a visiting team of police investigators agreed eight days before residents of the 1,000-strong Mathew Town community held Sergeant 869 Max Simmons and two constables "under siege," that the sergeant should not be allowed to return to the settlement.

Trouble with the sergeant, posted to Mathew Town for about a month, has been brewing for two to three weeks, said Inagua Commissioner Alexander E Williams today.

Easter night, after the sergeant arrested two residents who later had to receive medical attention, an estimated \$200,000 worth of damage was done when the police station and barracks were "burnt to the ground."

A police jeep and the "very old, early colonial" jail facility - made up of three buildings - were also destroyed by fire.

Hours after the Sunday night incident, a police team from Nassau succeeded in getting the sergeant and his two constables out of the local hospital and "away from the maddening crowd," Commissioner Williams said.

Sergeant Simmons and Constables Albury and Simmons were "dispatched to Nassau under police protection."

Said Commissioner Williams: "Everything is cool and calm. There is no further cause for alarm."

A press release issued yesterday by Acting Commissioner of Police Dudley Hanna states:

"Between 9.30 pm and 10.00 pm on 7th April, 1985 the police arrested two persons at Mathew Town, Inagua.

"As a result of these arrests a major incident erupted during which two police vehicles, the police station - living quarters and the prison were destroyed by fire.

"A senior police officer led an investigative team to Mathew Town where the situation is now under control.

"Contrary to rumours no persons were shot at Inagua and police investigations are continuing."

Commissioner Williams was not in Mathew Town at the time of the Sunday night incident. He returned to the settlement about 7 pm Monday.

This morning he told what he knew of the Easter holiday incident, gathered from interviews with one of the arrested men and police officers.

He said the incident was the "climax" of several reports he and the Commissioner of Police had received about the sergeant and certain junior officers. The reports were of "threats to use firearms" and "wantonly discharging firearms for no apparent reason."

The reports concerned the "terrorising of local residents and visitors alike," said the Commissioner.

Officers Tynes and Cunningham arrived in Inagua on March 22 to carry out a week-long investigation and the Commissioner suggested the sergeant be removed from the island.

Commissioner Williams said it was "indicated to him" and it was his "understanding" that the officer would be removed because of the reports and the tension in the community.

Everybody agreed Sergeant Simmons should not be allowed to return, he said.

Unfortunately, the Commissioner said, the sergeant returned and tensions mounted.

CSO: 3298/598

BOLIVIA

INITIAL DEBT PAYMENT TO FRG TO REOPEN LINE OF CREDIT

La Paz HOY in Spanish 31 Mar 85 p 7

[Text] Bonn, 30 March--Bolivia has begun to pay part of the \$8.4 million it owes the Federal Republic of Germany, and hopes that Bonn will decide soon to release the 120 million marks (about \$40 million) it has already promised for development aid.

The undersecretary of the Bolivian Ministry of Planning, Hugo Carvajal, told EFE today in Bonn that his country's government last Wednesday 27 March sent 1.5 million marks (about \$500,000) to FRG to demonstrate its willingness to pay and to ensure the release of German state aid to Bolivia.

Carvajal arrived in Bonn last Thursday from Vienna, where he had represented Bolivia at the annual meeting of the International Development Bank. The purpose of his visit was to meet with West German experts.

Although Bolivia wants to limit its outlays for principal and interest on the foreign debt to 25 percent of the foreign exchange it earns on its exports, in 1984 it paid \$383 million, or 44 percent of its export earnings, to service the debt, emphasized Carvajal.

Bolivian exports totaled \$685 million in 1984, but the country really had free use of only \$550 million, because 50 percent of its sales of gas to Argentina are paid for in the form of production inputs and food, according to the contract.

Of Bolivia's total foreign debt, La Paz is supposed pay nearly \$1.27 billion this year in interest and principal.

This obligation is impossible to meet, considering that its foreign currency earnings this year will not even amount to half that sum.

For this reason, Carvajal said, Bolivia is asking its creditors to give it a 7-year grace period to pay the principal of its debt, though it will continue to make interest payments.

La Paz concluded a detailed report on its foreign debt in December of last year, and established a majority[mayoria] of \$600 million; in 1985 it hopes to reach a final agreement with the commercial banks and the International Monetary Fund.

Bolivia, with a population of 5.5 million, has a foreign debt that equals about 134 percent of its gross domestic product, placing it at the top of the list among Latin American nations in this regard.

German banks consulted by EFE express the opinion that Bolivia will not be able to pay its foreign debt under the current terms, and will therefore have to seek a special solution.

The West German daily HANDELSBLATT, which specializes in economic and financial issues, states in its latest edition that if Bolivia resumes payments on its debt in April 1985 and holds firm on its economic reform program (which was put to a severe test during the recent general strike), it will persuade its creditors to begin lending it money once again, after a hiatus of about a year.

8926

CSO: 3348/563

BOLIVIA

MINING MINISTER SEEKS DISBURSEMENT OF BRITISH FUNDS

La Paz HOY in Spanish 16 Mar 85 p 3

[Text] Mining Minister Luis Pommier told HOY that Bolivia will try to persuade Great Britain to release 12 million pounds in aid to the Bolivian mining sector.

Regardless of the outcome of that effort, the minister intends to journey to the Federal Republic of Germany to deal with the problem of the Karachipampa metallurgical plant.

Release of Funds

Providing background information, the minister noted that just before the coup by Garcia Meza, England had been on the verge of providing 12 million pounds in aid to the national mining sector. The official offer had been drawn up, and the only step remaining was the processing of the Foreign Ministry documents that are necessary to make the transaction official in such cases.

It was under these circumstances that the coup occurred, prompting the British to freeze the aid immediately.

At present, these funds could be used to carry out important projects, particularly in the nationalized mining sector. This sector is in a critical period now because of the need to renovate and recondition its mining equipment.

Pommier will take advantage of his trip to London at the end of this month for the purpose of chairing the Third Meeting of Tin Producing Countries, to negotiate the release of this aid.

Karachipampa

In addition, Pommier stated that after the aforementioned meeting, he will go to FRG to meet with Klockner officials in order to solve the urgent credit problem that has halted construction on the lead and silver smelting plant in Karachipampa (Potosi). The country is paying interest on that loan of over \$100 million, but the smelting plant has not yet begun to earn money.

8926
CSO: 3348/563

BOLIVIA

BRIEFS

NEW MONETARY MEASURE STUDIED--The economic cabinet has submitted to the president a plan to "eliminate the zeros" from the national currency. The nationwide crisis and inflation, which made it necessary to put more money into circulation, drove the economic cabinet to study the most reasonable ways to deal with the Bolivian currency. Finance Minister Francisco Belmonte told the press that yesterday the national cabinet held preliminary discussions on the matter, to find the most appropriate formulas for the Finance Ministry and the Central Bank of Bolivia to take the necessary measures. The recommendation is to eliminate zeros from the thousands column, that is three zeros, to make accounting easier. "The government's objective is to streamline accounting procedures," said the minister. In another part of the interview, he denied that the government is considering a change in the currency. "That would be up to the Legislature, which would have to pass a law on the matter," he explained. Today and over the next few days, the economic cabinet will continue to study the issue, and it is hoped that the new measure will be taken soon, given the urgency of the problem. [Text] [La Paz EL DIARIO in Spanish 22 Mar 85 p 3] 8926

CSO: 3348/563

BRAZIL

POLITICAL LEADERS CITE PREFERENCES FOR DIRECT ELECTIONS DATE

Fragelli Thinks 1990 Best

Rio de Janeiro O GLOBO in Portuguese 21 Apr 85 p 6

[Text] Brasilia--Senate president Jose Fragelli thinks all elections--including presidential--should fall on the same date because, he says, holding elections in different years is upsetting to the nation's normal administrative work due to the expenditures of time, money and effort involved.

Fragelli is spending the weekend on standby alert in case he has to call Congress into session and declare the office of president of the republic vacant. He emphasizes that this will simply be for the purpose of "making an announcement to the nation," inasmuch as Sarney's taking the office of president would be automatic. As Fragelli stressed yesterday, there is no likelihood that political or juridical objections will be raised to Sarney's taking office.

Fragelli explained that there is no need for an inauguration ceremony or a constitutional swearing-in for Sarney, as the act is limited to "a mere declaration by Congress." Congress, as the power having the authority to recognize the president of the republic, would, through its own president, announce that the office was vacant--but at the same time it would affirm that the president who had been occupying the office on an interim basis would now succeed to that office as provided by the constitution.

Fragelli sees no danger of political disturbance, as he has consulted leaders of the opposition and verified their support for proper application of the constitution. According to him, there is no possibility of an institutional disruption.

Although Jose Fragelli considers a presidential term longer than 5 years as too long, he advocates a 6-year term for Sarney so that the direct presidential elections coincide with the elections of 1990. The president of the Senate asserted, however, that setting the length of the president's term of office should be left up to the constituent assembly, believing that "what it will be able to do in terms of reduction will be to set the mandate at 4 years."

Fragelli disagrees with Justice Minister Fernando Lyra's thesis that presidential elections should not coincide with any others for elective office (Lyra is opposed to direct elections in 1988, the year of municipal elections). The Senate

president thinks the ideal mandate is 5 years, but in the case of Sarney advocates retaining that of 6 years--"which is a little long"--so that the elections coincide with those of 1990.

The Senate president said that the message the president intends to send to Congress proposing formal convocation of a constituent assembly can be voted upon and transformed into a constitutional amendment quickly, but added that there was no need to hurry. "We have a year ahead of us," he asserted, recalling arrangements of a practical nature for preparation of the constituent assembly, such as reform of legislation governing political parties.

Although he considers the form of calling the constituent assembly a secondary matter--"the important thing is that the people elect their representatives"--he said Congress will have to establish a number of matters relative to the the constituent assembly's operation, such as its later transformation into a regular congress.

Fragelli asserted that voting on the amendment establishing direct elections this year for mayors of state capitals can be advanced to 29 and 30 April. In his opinion, these elections should be held next year. He acknowledges, however, that there is virtual unanimity among political forces for approval of the amendment and conditions for its voting.

He also disagrees with another point approved by the interparty commission for electoral and party reform: eligibility of corporals and privates. Fragelli thinks this can lead to "anarchy" and loss of discipline in the ranks.

Lyra Prefers 1989

Rio de Janeiro O GLOBO in Portuguese 21 Apr 85 p 6

[Text] Brasilia--Justice Minister Fernando Lyra said yesterday that, if he is elected a member of the National Constituent Assembly, he will vote for holding direct elections for president of the republic in 1989. The justice minister argued that they thus will not coincide with any other election, as in 1988 the municipal elections will be held.

Fernando Lyra denied that the PMDB [Brazilian Democratic Movement Party] is negotiating to establish the mandate of President Jose Sarney. According to Lyra, "to set the date now would be a waste of time," as the problem will only be resolved by the constituent assembly to be elected in 1986.

According to Lyra, the constituent assembly is sovereign in defining the duration of the presidential mandate and the date of direct elections. Therefore, any agreement reached now would have little value, as it could be modified by the constituent assembly.

According to Lyra, the current concern of the PMDB is not to discuss the duration of Sarney's mandate, but to carry out the political strategy devised by President Tancredo Neves.

Fernando Lyra also asserted he knows nothing of any government decision to end the current climate of provisionality. According to him, the air of provisionality results from the sickness of President Tancredo Neves and will continue as long as the president remains ill.

Lyra emphasized, however, that government action with Jose Sarney as president does not have to be provisional.

"The government can act, as the problem of provisionality does not imply stopgap measures," the justice minister asserted, without, however, offering details about government action.

Guimaraes: After Constituent Assembly

Brasilia CORREIO BRAZILIENSE in Portuguese 26 Apr 85 p 6

[Text] Ulysses Guimaraes, president of the Chamber of Deputies and of the PMDB, when asked yesterday about the movement to hold the popular election for president of the republic in 1986, recalled that the commitment of the late Tancredo Neves was to let the question of direct elections be decided by the National Constituent Assembly.

Ulysses, who was responding to a question about statements attributed to [Mines and Energy] Minister Aureliano Chaves suggesting that President Jose Sarney's term of office be reduced from 6 to 2 years thinks "this subject is becoming a political football."

Denying that he has discussed the matter with Aureliano Chaves--a potential candidate to succeed Sarney--Ulysses, also a candidate, expressed his viewpoint thus: "I want to say that the position of our party, the position taken by Tancredo Neves, is already well-known: the matter is to be decided by the constituent assembly. This whole problem is being examined and there are parties that have also expressed themselves on the matter."

Asked whether President Jose Sarney would soon send Congress the bill calling a constituent assembly for 1986, as had been arranged, the chamber president was contradictory: "This is a matter for the executive branch. It is a matter for President Sarney, within the scope of the legislative branch. It is being subjected to political discussion on the part of all parties through their leaders and officials."

The PMDB leader was further reminded of the anniversary yesterday of the rejection of the Dante de Oliveira amendment for immediate direct elections, an anniversary that passed virtually unnoticed despite its having held the nation spellbound in 1984, with gigantic demonstrations in all major cities.

Ulysses sought to be equally moderate, in saying: "Of course, if we had approved the Dante de Oliveira amendment, the election would be direct. It happens that the election of Tancredo Neves was not a plebiscite. It was more than an election. Hence, it was all the more valid. But it must be established--and this was always a commitment of our leader Tancredo Neves--that the president of the republic be chosen by direct election, by all the citizenry."

Pressed by reporters to give a clearer opinion about the pressure from the PDS [Social Democratic Party], PDT [Democratic Worker's Party] and now supposedly from Minister Aureliano Chaves about direct elections in 1986, Ulysses still tried to elude the question, although not denying he had some sympathy for the idea: "These matters are all being subject to interparty understanding, because we are convinced that this will facilitate measures at the political level, especially by party leaders."

Chaves Denies Favoring 1986

Brasilia CORREIO BRAZILIENSE in Portuguese 26 Apr 85 p 5

[Text] Mines and Energy Minister Aureliano Chaves said yesterday that the two matters published in the press this week, accusing him of undue use of housing allowances in his official residence and also of favoring direct elections for president in 1986, are "a stupid distortion."

"At the least," said Aureliano Chaves, "this is misinformation, and if it is not misinformation it is a malicious lie. I am amazed that an experienced reporter would commit this type of error, as an engineer should know simple arithmetic."

As to whether he favors direct elections for president of the republic in 1986, the minister asserted that his position was defined as early as the time of his PDS candidacy and that he favors a 4-year mandate. But Aureliano asserted that the constituent assembly to be called for 1986 will definitely decide this question.

"Sarney," he said, "knows that he has my full support, as he had for his candidacy for vice president and still has, so that he may fulfill his mandate and make the commitments of the Democratic Alliance a reality." All this, he concluded, is contained in the document signed by Tancredo Neves, Ulysses Guimaraes, Marco Maciel and Chaves himself.

Aureliano said he maintains a cordial relationship with President Sarney, to the contrary of what the article asserts, and denies having had any political conversation with Governor Leonel Brizola of Rio de Janeiro or with Army Minister Leonidas Pires Goncalves recently. He affirmed he would discuss the article with Sarney, but added that he is sure the president knows the article has no basis, because "when I have anything to say, I don't go through intermediaries."

Allowances

As for the charge that he is the "king of allowances," served by 29 employees in the most luxurious residence of the Peninsula of Ministers, Aureliano said that this was another case of either misinformation or dishonesty, as what was published was the result of a survey that he himself requested about the situation he had found, so that suitable steps could then be taken.

He said that he could not simply dismiss the employees he found working in the house. "I couldn't throw the father of a family out on the street," he said, "out of respect for a human being, and it was for this very reason that I asked for the survey to be made."

In fact, an official reply to the magazine that published the charge about housing allowances has been prepared, explaining that since last week 15 of the 25--not 29 --employees of the residence have been reassigned. When he arrives at the ministry this morning he will decide whether to make this official note public.

The plot that Aureliano asserts exists allegedly seeks to compromise his principal political asset, the reputation of being an honest and ethical man, now that he seems to be one of the frontrunners as a candidate for, first, governor of the state of Minas Gerais, and later for president of the republic.

Denial

Army Minister Gen Leonidas Pires Goncalves yesterday said the journalistic material published by JORNAL DO BRASIL, alleging his acting as interlocutor for Aureliano Chaves in a political discussion, is "absurd and irresponsible." According to the article, the mines and energy minister is said to have told Leonidas Pires he would support, from now on, Governor Leonel Brizola's proposal to call direct elections in 1986.

In the view of Justice Minister Fernando Lyra, Aureliano Chaves "would neither have said this nor taken this position, judging from what I know of the former vice president." Lyra said further that the journalistic information was attributed to Aureliano Chaves and that it should therefore not be viewed as official information, "but merely attributed to him."

8834

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24 May 1985

BRAZIL

RESISTANCE TO SARNEY'S INVESTITURE ENDED, CREDIBILITY TO BE WON

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Apr 85 p 3

[Article by C.C.: "Resistance to Sarney Ends"]

[Text] Even before the body of Tancredo Neves had been lowered into the grave, which happened late today, the first pillar of the new political pact his successor will make with the nation was signed. Up to now Jose Sarney has received much more than the formal consecration of his definitive investiture, recognized Monday in a short session of Congress. Expressing themselves in favor of the indisputable legal and political legitimacy of his transformation into the actual president of the republic, were representatives of the most varied segments of society. And we are not only speaking of politicians and party leaders present in Brasilia for the funeral of Tancredo Neves. Businessmen, union leaders, associations of liberal professionals, armed forces, church and press and the intellectual sector are making it clear to public opinion, more than to Jose Sarney himself, that he has the support necessary so that there will be no doubt about his rights, his duty and his mission. He will be responsible for directing national destinies during the term for which he was elected together with Tancredo Neves, leaving to the National Constituent Assembly in 1987 the prerogative of any change in the term, which is still 6 years.

It is discovered that there are no ogres loose in the country seeking to destabilize the burdened but firm structures of the New Republic. Even those who gave previous signals of throwing themselves into actions disturbing the peace or into a precipitated debate, have concluded by retreating. From Leonel Brizola to Luis Ignacio da Silva, of the different shades of red of the communist factions; from the hidden promoters of opposed radicalism of the right, there came, almost as if by a miracle, the same orders heard in the democratic, party and legislative sectors: All power to Jose Sarney.

All power? In terms, it is obvious, of institutional norms, which even though they require a recomposition, provide Congress as well as the Judicial Branch with their rightful space.

Jose Sarney can begin to govern, provided with the unequivocal and very important factor: Legal status. It is not the legal status deriving from indirect elections, clumsy and false, to which Tancredo Neves himself had to submit himself, but another and greater one offered by the nation, which brought the opposition to power despite it having been accomplished, ironically, by means of rules imposed by previous authoritarianism. From the streets, public squares, from resistance and from general desires, came the legal status of Tancredo. The legal status of Sarney, expressed in the last 3 days in an unquestionable way, appears more mature and even less emotional. Perhaps it is because of the fear of the unknown. Perhaps it is because of a fear of regression. It could even be because of the interests of some; it does not matter. The first page of the social pact of the new president is written, or rather, its preamble.

Several pages are lacking. Jose Sarney will also need, for formalizing his pact, to win a value that Tancredo Neves had in large amounts: Credibility. The deceased president had popular support for realizing his program contained in the document of the Democratic Alliance. All swore that everything would be right. Without that support, there was little that could be done. His successor, with the commitment of 7 August last year in his hands, will need a similar national boost.

And how can that credibility be won? That is, what conditions will show public opinion that the goals, on which work has already been delayed, can be reached? Here his paths are also different than those of Tancredo. For accomplishing his work, the illustrious deceased had the factor of credibility. However, to acquire credibility, Sarney must first accomplish something. Despite the upheaval and anguish of the days which preceded the death of the former governor of Minas Gerais, the present president had been finding time to think the unthinkable. He in no way wanted to believe that he could turn from substitute to successor, but events pushed him into it. Thus, he reached some determinations or guidelines. The first was that of maintaining in full the program of the Democratic Alliance and of waging a fierce and implacable battle against inflation. It is, as he has said, the greatest priority of the government, so many times explained by Tancredo and accepted by the nation, no matter what sacrifices it may entail. That means that Francisco Dornelles, unless we are mistaken, will be kept in the Ministry of Finance, as will the rest of the economic-financial command. At the same time, whether it is because Tancredo Neves so ordered, or whether it is because he wants to personally offer specific initiatives capable of lessening the bitterness of the more deprived classes to obtain popular support, Jose Sarney ordered the minister of planning to put into effect a program of possible emergency measures on the social plane, something that will immediately affect food, transportation and housing. It is not easy to conciliate anti-inflationary policy with supplementary spending, something which is part of the old Manichean clash of "containment" versus "development," but it will be along that path that the new head of government must travel to temper priority with need.

He cannot lose time. The nation must see specific signs and definitions relative to the determination of its president. It will support him only after analyzing and judging his initiatives. Today marks the end of the more than enough time of circumspection, caution and constraint. Life continues and now it is a matter of the life of the nation.

Having a legal status and taking specific steps in search of credibility, Jose Sarney will have advanced on the theory of his pact. He will need to fashion and bargain for the means used as a result. He will have to talk to specific sectors, the union leaderships, business leaders, obtaining from each of them time and space so that the policy of fighting inflation, as well as the emergency measures, will begin to take effect. The so-called social pact is part of a greater political pact. It is not a matter of persuading some of them not to spend and the others not to go on strike, but that of finding a point of understanding capable of determining economic activity as well as work in such a way that no one has to be fired and no one has to go on strike.

The idea of a government of national union appears to have been discarded, even because the PDS [Social Democratic Party] has nothing to do in the Democratic Alliance. Even repenting, reciting many acts of contrition, those of the PDS know full well that their support for the present government will only help to make it fall into discredit, something the present government knows even better. A similar thing may be said about the small labor parties. When they were needed, they haggled. They supported but did not support. They hesitated. They would not be interested, in the case of the PDT and PT [Democratic Workers Party and Workers Party], of having their men in the ministries. They are waiting. They know that the confrontation will take place, but not now.

Therefore, the political concerns of the new president will be those of preserving and solidify the Democratic Alliance more, even when he knows that it is not going to advise him. On the contrary, he has just assumed its command. The contingents of the PMDB and the PFL [Brazilian Democratic Movement Party and Liberal Front Party] if they could be maintained, if there were to be a political as well as doctrinaire composition, would be enough to insure the approval of any draft bills in Congress. Despite that, Sarney faces two interlinked problems in the sector, one in the short term and one in the medium term.

It leaps to the eye that even with the thousands of praises and cheers he is soon going to utter with respect to the ministries, a team picked by Dr Tancredo, the result of an ingenious assembly with every piece in its place, Jose Sarney must govern as if with his own government. There is nothing to prevent the majority of the pieces from remaining in their places, however the president must govern as if it were with his own government, it is worth repeating, and not as if it were the government of Dr Tancredo. It will be necessary to adapt the ministries to his style and to his way of being. He will have to make adjustments and changes in certain ministries, which only he will know how to establish when the time comes. But would not the dismissal of someone from the PMDB appear to

favor the PFL, and vice versa? His reconstruction will be subject to the same play of forces, since he has already said, days ago, that he is willing to show the greatest of party impartiality. He was the founder, and is still the president, of the PDS. He is a member of the PMDB and was on the slate of the PFL with Tancredo Neves. That is enough to make him impartial, but impartiality requires special care. Ulysses Guimaraes on one side, and Aureliano Chaves on the other, will be watching.

The two party problems are interlinked because there will be elections for state governors, the Senate, the Chamber of Deputies and State Legislative Assemblies. Each party will have its candidates despite the fact that coalitions will be allowed. The question is one of consolidation and survival for the members of the front and the preservation of their status as the largest national party for those of the PMDB. There will be clashes, at least sparks, at the preliminaries.

Once he manages to overcome the obstacles, or produces the definitions mentioned up to this point, Jose Sarney will have concluded his broad social pact with the nation, for which purpose he already has the legal status. For the rest, only the future will tell.

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BRAZIL

EXECUTIVE STYLE, IMMEDIATE PROBLEMS OF SARNEY GOVERNMENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Apr 85 p 8

[Article by Carlos Chagas: "New Decision-making Style"]

[Text] If anyone was in doubt, the proof came quickly: Jose Sarney really began to govern. On Thursday, within hours after the burial of Tancredo Neves, he made his style quite clear, one which is to be of final decisions made at his desk, after ample discussions and debates with the ministry and with the party forces supporting him, but also with constant follow-up through execution and final outcome. This week, starting tomorrow, another component in his administrative style will gradually be added: whenever possible, and applying the experience to the maximum, he will also call together representatives of the various social segments. He will listen to their considered opinions, although none of this will signify subordination or diminished authority, because, as he has repeated several times, the presidency of the republic will not be exercised jointly. The final responsibility is his, and whoever doesn't fit in doesn't stay, if a minister, and will not be consulted again, if a party leader or representative of a professional group.

Even though not an expert in economics, as was Tancredo Neves, he will not repeat the experience of the general-presidents who preceded him, nearly all of whom delegated responsibility to their ministers and took little part in debating or developing policies. He will want to know--with the proposals translated from "economese" to clear Portuguese--what are the options for each problem. It happens that last week he repeatedly demonstrated his confidence in the two men who will more closely execute the policies as they are defined, Francisco Dornelles and Joao Sayad. The same holds for party or institutional policy. He met with the Chamber and Senate leaders of the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party], called together the leaders of the two parties and set up the process of reform, with the intention to hold elections for mayors of state capitals this year and the general elections--even for the National Constituent Assembly--next year.

Jose Sarney is aware of the seriousness and the urgency of the issues to be faced and repeats what Tancredo Neves had said shortly before he fell ill. Never has a government faced such a broad array of difficulties, ranging from economic to financial, from social to administrative, from political to institutional. The major ones can be listed:

Government Appointments

The restraint has been lifted from making the remaining appointments to second- and third-echelon government positions. The choice had been the responsibility of the president elect, but it now appears that by the end of this week all positions will be filled. They are his appointments, following the criteria of austerity, efficiency and political representation enunciated by Tancredo. Thus, he has asked Ulysses [Guimaraes] and Jorge Bornhausen to make studies and suggestions, with the aid of those ministers who have vacancies to fill. He will receive the respective lists from the ministers and the two congressmen, deciding with their consultation, but not giving up his right to have the last word.

Plan of Priorities

Another meeting of the cabinet ministers is scheduled, probably for Thursday. It was postponed twice during Tancredo's illness, but now the time has arrived to hold it. Sarney will repeat his statement of confidence in all the ministers, will express his view of government operations and will hear reports on the tasks established at the first meeting, on the 17th, when each was asked to make an X-ray of the situation in his ministry, along with a recommendation of what expenditures should be prohibited. The deadline given in the document written by Tancredo Neves and read by him, of 90 days, has not yet arrived, and a final document will not be expected from each top-level official. But a progress report on the study will be requested.

The major topic of the cabinet meeting will be presentation of the plan of priorities, prepared by [Planning] Minister Joao Sayad and intended to produce some immediate effect in the social field. Although modest, to the extent that one could have hoped for more, the plan reflects the pledge of the new government to reduce expenditures, spend as little as possible and pursue a tough fight against inflation, although at the same time accomplishing something specific for the benefit of the less-favored classes.

Institutional Reform

The interparty committee responsible for preparing proposals about changes in legislation governing elections and political parties has finished its work, within the scope of the Congress. It is independent, it does not take orders from the executive branch, but even so it cannot be presumed that the president of the republic will remain aloof from the subject matter. He will meet with his political aides and with the congressional leaders for a thorough examination of the matter, also this week. He agrees that elections for mayor of state capitals should occur this year and he applauds extinction of the multicandidate slate, required party loyalty and prohibition of coalitions, as well as restrictions on electioneering. He also supports facilitation of creation and operation of political parties, without ideological restrictions, even favoring future communist slates. But there are doubts about adoption of voting by illiterates, voting by soldiers of the military police and fire departments, among other aspects. He will examine the list of parliamentary suggestions as a whole and will make a thorough analysis of each of them. But he does not intend, as had been done until recently, to impose his viewpoints on the legislative branch, to make

demands upon it or to attempt to guide it. It will be free to act as its majority sees fit. But that majority, due to previous arrangements and to circumstances, is solidly on the side of the government.

Sarney does not have a set opinion about the timeliness of promoting other, more profound reforms, such as immediately removing the debris of authoritarianism from the constitution and ordinary legislation. He is inclined to stay with the strategy of Tancredo Neves, who felt that most of these topics should be submitted to the review of the National Constituent Assembly. But he is annoyed by the criticism of the PDS [Social Democratic Party] to the effect that, without removal of the rubble of the dictatorship, the current government runs the risk of being called an extension of the revolutionary governments, inasmuch as the regime remains structured as before. He would never be willing to employ constitutional emergencies or a state of emergency, or apply the Press Law to install abusive and arbitrary censorship. But the ideal situation would be that such presidential "prerogatives" no longer existed.

National Constituent Assembly

It will be elected in 1986 and will meet in 1987. But Sarney contends that it must be decided immediately who will call it: whether the executive branch, through a proposed constitutional amendment, giving the future congress constituent powers, or whether the current congress should call it. The first step will be to appoint, this week, the committee to make high-level constitutional studies, for the purpose of reform, to be headed by jurist Afonso Arinos, whom Tancredo Neves had already invited. This committee will make suggestions about how to install the National Constituent Assembly and will take care of writing a preliminary outline of a new constitution, to be given the constituents as a form of collaboration. If the executive branch were to call the assembly, it could be argued that it is above and beyond it, but Sarney's opinion is that even so it will retain all power. It will be able to set the duration of his mandate and reduce it, but all will depend upon a political agreement. He is not speaking publicly, so as not to appear to be influencing or imposing, but in private he says that 4 years would be an ideal period. And with the possibility of reelection, although not for him. To begin after the choice of his successor, if everything goes normally, in November 1988, to take office in March 1989.

Wage Policy

The new levels of the minimum wage will be decided by Tuesday. The government's idea is to grant the worker somewhat more than the 100 percent of the INPC [National Consumer Price Index], in order to restore the wage losses that occurred throughout recent years. But nothing excessive, as a greater concession would be merely fictitious. It would aggravate inflation and would eventually harm the worker. The idea is taking shape in the cabinet that an increase of 5 to 10 percent more than the INPC should be given. This would be equivalent to raising the minimum wage to 340,000 or 350,000 cruzeiros.

The new president is especially concerned about the blue-color worker, with the renewed outbreaks of strikes that were interrupted by the death of Tancredo Neves. The government will not resort to violent methods, as was done previously, and

will respect the strikers, but will act, respecting the rulings of the courts, to create understanding between employers and employees. [Labor] Minister Almir Pazzianotto is now acting, through express delegation from Sarney, to deal with the striking unions. The strategy will be to seek mutual understanding on a case-by-case basis, without directives or stipulations of a general nature.

Domestic, Foreign Debt

The first head to become a victim of the foreign-debt problem rolled on Friday. Neither Sarney nor [Finance Minister] Dornelles was pleased with the behavior of businessman Sergio de Freitas, of the Central Bank, in a recent dialogue with international bankers. The solution was surgical: he was dismissed. The president does not allow anyone of his aides to take action on his own. The general idea, in the case of the foreign debt, is to reinstate the agreement with the International Monetary Fund and only after that begin renegotiations with the private bankers. Although Tancredo's declaration that the foreign debt will not be paid with the misery of the people remains in force, the obligation to honor commitments and reduce the burden accumulated throughout the years also remains.

The 53 trillion cruzeiros that make up the domestic debt are being studied minutely by the ministers of planning and of finance. It is essential to cut the expenditures of the state machine, as an example and as a psychological factor, but to Jose Sarney this represents a drop of water in the ocean. Other mechanisms will have to be actuated, beginning with the need to lower interest rates. The order, however, is not to spend, or only to spend under very special circumstances.

Also this week, the new president is to appoint a permanent governor of Brasilia, freeing Ronaldo Costa Couto from the dual role of interim governor and interior minister. The name mentioned most often was that of engineer Aluisio Faria de Carvalho. Closely connected to Aureliano Chaves, of whom he was a student, he is now active in the business sector in the federal capital, and has no party affiliation. The possibility of Jose Hugo Castelo Branco's exchanging the presidency's Civilian Household for the governorship of Brasilia seems to have been discarded. He will remain in his present post. But if he were to leave, it would be to become president of the Bank of Brazil, should Camilo Calazans switch to SUDENE [Superintendency for Development of the Northeast].

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BRAZIL

FGV ATTRIBUTES APRIL INFLATION DROP TO GOVERNMENT ACTIONS

Brasilia CORREIO BRAZILIENSE in Portuguese 25 Apr 85 p 19

[Article by correspondent Lucio Santos]

[Text] Rio de Janeiro--April's inflation rate will really be about 8 percent, it was revealed yesterday by Angelo de Souza, director of the Social Accounting Division of the Brazilian Economics Institute of the Getulio Vargas Foundation [FGV]. He explained that the drop in the rate was due to relatively stable prices for industrialized products, which are under the control of the CIP (Interministerial Price Council), and steady or even falling prices for agricultural products, because of the beginning of the new harvest, which, he said, "is not disappointing." The official inflation index, for which data collection will be completed this Thursday, will not be reported officially until next Monday.

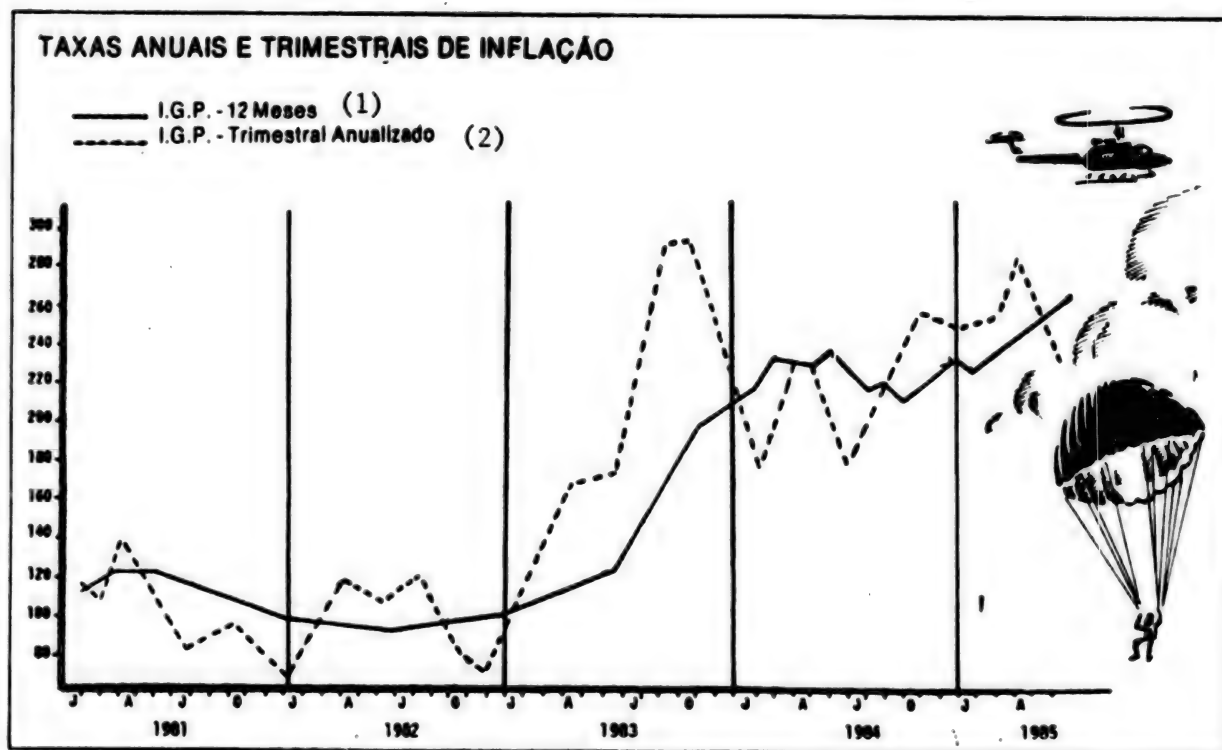
The wholesale price index and the consumer price index represent 60 percent and 30 percent, respectively, of the General Price Index [IGP], which measures inflation. In both of the indices, the food item showed a drop during April. Prices for foods of significant weight in the IGP, such as meat, potatoes, rice and tomatoes, remained steady in relation to March. The same thing occurred with construction materials and the labor component of the National Index of Civil Construction, which in turn represents 10 percent of the IGP.

Thus, in April the three indices that make up the IGP are likely to have a similar increase of about 8 percent. Although this increase is the smallest in 15 months, Angelo de Souza considers it still quite high, bearing in mind that 8 percent is more than double that of some nations in 1 year. The Finance Ministry, moreover, promises that the average inflation rate for this quarter will be 8 percent.

Harvest

The good harvest of agricultural products will also continue to keep pressure off the inflation rate during the next 2 months. This fact, together with a staggered increase in prices for industrialized products to be granted by the CIP during May and June, will make an 8 percent rate possible during the next 2 months.

Angelo de Souza explained, however, that the price control exercised by the CIP is able to hold down inflation for a period of no more than 4 months. After that, he said, the government will be able to contain prices only through more powerful economic measures.



Annual and Quarterly Rates of Inflation

Key:

1. IGP, latest 12 months
2. IGP, quarterly annualized rate

He praised price control as a measure that helps "relieve inflationary expectations," but explained that its efficiency depends upon the capacity of business to endure such control without affecting the minimum margin of profit.

Correction

He said that the new formula for monetary correction will be a big help to exports in the first 3 months, as it will really represent a maxi-devaluation of the cruzeiro of about 10 to 12 percent by the end of June. On the other hand, the formula will make the public debt grow more rapidly.

Angelo de Souza said, however, that the government had a purpose in developing the new formula for monetary correction and one of the strategies that it considers possible is the attempt to secure a parity in relative prices, including wages.

He explained that in the last 2 years prices evolved in a very unequal fashion. To combat inflation effectively the government will first have to bring about a parity among them. He believes that wages, the component of inflation most restricted in the last 2 years, should again increase in real terms until reaching

the level of other prices. These, in turn, will be contained by the government until parity is reached. When this occurs, the government can apply an economic policy capable of affecting everyone in a homogeneous way, then demolishing inflation.

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BRAZIL

POLITICIANS FORM GROUP TO PROMOTE 'TANCREDOISM'

PY010245 Seo Paulo FOLHA DE SAO PAULO in Portuguese 24 Apr 85 p 5

[Text] Tancredo Neves has died but Tancredoism is being born. The proposal to create a movement to defend the ideals of the late president has just been launched by Civilian Household Chief Jose Hugo Castello Branco, and it has found immediate receptivity in Deputy Carlos Wilson, 35, PMDB [Brazilian Democratic Mobilization Party] from Pernambuco.

Deputy Wilson explained that "the only recommendation made by Castello Branco is not to form a movement parallel to the Sarney government, but to form a political group to strengthen it by maintaining Tancredoism alive."

And what is "Tancredoism"? Deputy Wilson explained: Tancredoism stands for conciliation, national unity, condemnation of radicalism, recovery of national optimism and, above all, establishing conditions to make it possible for President Sarney to effect the reforms that have been promised by Tancredo Neves in the public plazas."

The deputy from Pernambuco is convinced that the nucleus of the movement will be the group known as Unity, which is made up of old Tancredists who worked, within the PMDB, for the candidacy of Tancredo Neves. With the election of Tancredo Neves, the group attained its main objective and began to disband over the election of Pimenta da Veiga as government leader in the Chamber of Deputies. Deputy Osvaldo Lima Filho, PMDB from Pernambuco ran against him, with the support of members of the Unity group, and was defeated by Pimenta da Veiga, PMDB from Minas Gerais, the representative of the Cruising [Travessia] group. The first talk about Tancredoism took place on Saturday, 20 April, on the eve of the death of the president-elect, in the residence of Ulysses Guimaraes, president of the Chamber of Deputies, during a lunch in which Carlos Wilson and Jose Hugo Castello Branco participated.

The civilian cabinet chief noted, on that occasion, that Sarney will need political support to implement the promises of Tancredo Neves, and that a movement for the ideals of Tancredo Neves, Tancredoism, will provide that congressional support to effect the reforms proposed by the Democratic Alliance.

Carlos Wilson agreed and asserted that "the legacy of Tancredo Neves will not die." In the next few days, he will contact the congressmen who were closer to Tancredo Neves during the electoral campaign to give concrete shape to Tancredoism. Some of these congressmen are: Walter Guimaraes, Robert Cardoso Alves, Heraclito Fortes, Milton Rebis, and Jose Carlos Teixeira.

Deputy Wilson believes that his effort will be facilitated, because two of the "congressional coordinators" of the Tancredo Neves electoral campaign have been appointed state ministers: Fernando Lyra and Carlos Sant'Anna. The deputy from Pernambuco believes that in addition to them, the movement can count on the adhesion of Minister Ronaldo Costa Couto and the grandson of Tancredo Neves, Aecio Neves da Cunha who, in Wilson's view, is "the great political heir of his grandfather."

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BRAZIL

CAUSES FOR DISMISSAL OF CENTRAL BANK OFFICIAL DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Apr 85 p 41

[Text] A source associated with Planalto Palace revealed yesterday that, despite the government's allegations of an economic nature, the dismissal of Sergio Silva de Freitas as director of international affairs for the Central Bank had little to do with the speech he made a month ago in Vienna in which he advocated political renegotiation of the foreign debt of less-developed countries.

According to the source, Sergio de Freitas was dismissed because he disagreed completely with the policy advocated by Finance Minister Francisco Dornelles for conducting the next step in renegotiating the nation's foreign debts. According to the informant, Dornelles intends to continue the pattern established by the previous government, accepting the program preconceived by the creditors, along the lines of the renegotiation accepted by Mexico. Sergio de Freitas is said to have disagreed, believing that such a policy is not in the nation's best interests.

Sergio de Freitas is also said not to have accepted a decision by the president of the Central Bank [BC], Antonio Carlos Lemgruber, for the purpose of meeting the cash needs of an offshore Brazilian bank without consulting him beforehand about the matter, which pertains to his area of responsibility.

Dornelles

According to Finance Ministry sources, Minister Francisco Dornelles asked for dismissal of the Central Bank's director of international affairs, Sergio de Freitas, in order to establish his own position as chief formulator of debt-renegotiation policy, to establish that Central Bank President Antonio Carlos Lemgruber will merely be the Brazilian negotiator for directives established by him, Dornelles, and that the new foreign-affairs director, Carlos Eduardo de Freitas, will assume the role of merely Lemgruber's aide-de-camp.

Dornelles came out the winner in the "foreign round" of the struggle for control of the economy, but it is still a little early to celebrate. After all, without a minister or a president of one of the more important entities in the economic area, the PFL [Liberal Front Party] is likely to object to the purging of its leading representative in the sector, the BC foreign-affairs director, all the more so in view of the close personal ties between Sergio de Freitas and Foreign Affairs Minister Olavo Setubal, one of the luminaries of the Liberal Front.

After Sergio de Freitas himself and Setubal, Lemgruber came out as the big loser on the occasion of the first dismissal of the New Republic. On Thursday the Central Bank president had the thankless task of informing his foreign-affairs director, a man of acknowledged technical competence as former vice president for international affairs of Banco Itau, of his dismissal from the BC.

As a further restriction, Lemgruber had to decline the invitation of the Forex Club for a Friday luncheon with representatives of the foreign banks in Brazil, in order to discuss the Sergio de Freitas dismissal with Dornelles. Even worse, appointment of the new BC director of foreign affairs reflected a personal decision by the finance minister, without any interference from Lemgruber.

The surprise of the dismissal of Sergio de Freitas was surpassed only by the appointment of the current chief of the BC international operations department, Carlos Eduardo de Freitas, as the new director. According to BC employees, he is hard to get along with and those in the bank either fear him or hate him.

Carlos Eduardo de Freitas rose through the ranks of the Central Bank more as a result of the departure of more qualified technicians after Jose Carlos Madeira Serrano became director of foreign affairs in 1979.

With the departure of the team of former director Fernao Bracher, now vice president of BRADESCO [Brazilian Discount Bank], Carlos Eduardo de Freitas became Madeira Serrano's right-hand man, one of those conducting phases 1 and 2 of the foreign-debt renegotiations, so harshly criticized by Sergio de Freitas, to the point of bringing on his dismissal at the request of Dornelles.

Besides the political problems, the BC president in coming days will have practical and operational difficulties to confront, aggravated by the confirmed liquidation of \$1.47 billion in exchange reserves in January alone. As a result of these events, the IMF has not set a date for sending its technical mission to reopen conversations for putting together Brazil's eighth letter of intent for the fund.

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BRAZIL

STEEL PRODUCTION UP 5.1 PERCENT IN FIRST TRIMESTER

Sao Paulo GAZETA MERCANTIL in Portuguese 9 Apr 85 p 12

[Text] Brasilia--Production of raw steel increased 5.1 percent in the first quarter of this year in comparison with the same period of last year. From January through March, according to data reported yesterday by the National Council for Nonferrous Metals and Steel (CONSIDER), domestic output was 4,587,000 tons, compared with 4,382,000 tons in the first quarter of 1984.

Ingots

Brazilian steel mills produced 2,566,000 tons of ingot steel through March, which represents a very small increase over the same 1984 period, when a total of 2,529,000 tons of the same product were put on the market.

This increase of only 1.5 percent is considered insignificant, although bearing in mind that the output of just 1 month--March of this year compared with March of last year--increased from 863,000 to 929,000 tons, or 9.7 percent.

Another type of raw steel--continuous ingots--had a substantial rate of increase, 10.1 percent, in the first 3 months of this year in relation to the same period last year. The 2,529,000 tons produced between January and March of 1984 rose to 2,586,000 tons this year.

In the month of March alone, this production also was higher than the average of the first quarter, rising 12.7 percent, which is to say that in March 1984 the steel mills put 654,000 tons of continuous ingots on the market and this year they produced 735,000 tons.

Foundry

In percentage terms, the greatest output occurred in foundry steel. During the period production increased 12 percent, rising from 20,000 tons in the first quarter of 1984 to 22,000 tons this year.

Taking into consideration the month of March alone, the increase was 13 percent: March 1984 output was 6,800 tons; this year it rose to 7,600 tons.

Exports

Plate exports increased 76 percent in the period, due mainly to the output of the Tubarao Iron and Steel Company (CST).

Foreign sales of plate were 366,000 tons in January through March, compared with 208,000 tons in the same 1984 period.

Next May the CST will ship another 50,000 tons of plate steel to the People's Republic of China. It is the first contract of this type signed with that country, this newspaper was informed last week by the current president of CST, Arthur Carlos Gerhardt Santos.

Excluding the flat-rolled plates for export, domestic output of this product was 1,927,000 tons this year, compared with 1,929,000 tons last year, a decrease of 0.1 percent. In the same period output of nonflat rolled products rose from 1,397,000 to 1,814,000 tons, or an increase of 15.5 percent.

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BRAZIL

PRC INTERESTED IN IMPORTING DRESSED LUMBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Apr 85 p 20

[Text] Brasilia--During the medium term, Brazil is likely to export 500,000 cubic meters of dressed lumber to the People's Republic of China. The first lot, consisting of 23,000 cubic meters and costing \$100 per cubic meter, has been sent to China and on 25 May another lot of 20,000 cubic meters will follow, at the same price. Yesterday the secretary general of the Agriculture Ministry, Ruben Ingenfritz da Silva, received a delegation led by the deputy minister of silviculture of the PRC, Wanh Dien Wun, to discuss possible technological cooperation between the two countries.

According to Ruben Ingenfritz da Silva, at the present time the Chinese are interested in dressed lumber, but have not discarded the possibility of buying services from Brazil. The PRC delegation will be in Sao Paulo today to visit several reforestation projects and industries. There is also interest in joint development of lumber in the Tapajos national forest. According to Ruben Ingenfritz da Silva, it was made clear at the meeting that Brazil would agree to such development only if done in a rational manner, without affecting the environment.

The delegation, which arrived on 16 April and will remain until 29 April, has visited Manaus and Santarem and will conclude its visit to Brazil in Sao Paulo. At all meetings, including one with the governor of Amazonas, Gilberto Mestrinho, the Chinese asked for information about formation and conservation of natural and artificial forests, forest development, forest protection, utilization of trees and processing of forest products and influence of forests on the environment. The secretary general stressed that, at present, the important thing is to export lumber to China and therefore in these first two lots there are different types so that they can make a choice of what they like the most.

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BRAZIL

FUEL CONSUMPTION DOWN 5.1 PERCENT IN FIRST QUARTER

Rio de Janeiro O GLOBO in Portuguese 2 May 85 p 19

[Text] During the months of January through March of this year Brazil consumed a total of 1,000,000 barrels of fuel daily, figures that are 5.1 percent less than consumption in the same period last year. Of this total, 876,100 barrels daily were of petroleum derivatives; the rest were of hydrous and anhydrous alcohol. Consumption of petroleum derivatives fell 7.3 percent in the first quarter in comparison with the first quarter of last year, when consumption dropped 2.8 percent below the figure for the 1983 quarter.

With the exception of hydrous alcohol, whose consumption in the first 3 months was 90,500 barrels daily--24 percent greater than in last year's first quarter--consumption of nearly all fuels was reduced. Consumption of liquified petroleum gas (LPG) was 104,800 barrels daily, or 5.3 percent greater than in the 1984 quarter.

Gasoline consumption during the period was 124,900 barrels daily, a reduction of 17.3 percent from the first 3 months of last year. Consumption of anhydrous alcohol, which is mixed with gasoline, also fell, to 34,900 barrels daily, which is 4.8 percent less than during the same period last year.

Consumption of fuel oil was 156,000 barrels daily, equal to the 1984 period [as published; see table]. There were 286,200 barrels of diesel fuel consumed daily during the 1985 period, 8.7 percent less than in the 1984 period. Consumption of nonenergy derivatives--including asphalt, petrochemical naphtha and solvents--in the 3 months was 177,300 barrels daily, representing an increase of 0.1 percent.

During the same period 31,600 barrels of natural gas were consumed daily, a volume 1.3 percent greater than that of last year. In the last 12 months--April 1984 through March 1985--the total consumption of derivatives averaged 937,600 barrels daily, 2.5 percent less than during the corresponding period 1 year earlier. Including anhydrous and hydrous alcohol, consumption of fuels in the last 12 months was 1,050,000 barrels daily, representing a decrease of only 0.3 percent.

Petroleum output in the first 3 months of the year was 532,595 barrels daily, or 21 percent more than the average of the same period in 1984. Petroleum imports for consumption were 336,300 barrels daily.

[See table on following page.]

Fuel Consumption, January through March (thousands of barrels per day)

<u>Product</u>	<u>1985</u>	<u>1984</u>	<u>Change</u>
Gasoline	124.9	150.9	-17.3%
L.P.G.	104.8	99.5	+ 5.3%
Fuel Oil	156.0	167.3	- 7.1%
Diesel Fuel	286.2	313.3	- 8.7%
Kerosene for Lanterns	6.3	7.6	-17.0%
Kerosene for Aircraft	37.0	40.9	- 9.6%
Nonenergy Derivatives	177.3	177.1	+ 0.1%
Hydrous Alcohol	90.5	73.0	+24.0%
Anhydrous Alcohol	34.9	36.6	- 4.8%
Total Consumption			
(Excluding motor-fuel alcohol)	876.1	945.1	- 7.3%
Total Consumption (Derivatives)	1,001.5	1,055.1	- 5.1%
Natural Gas	31.6	31.1	+ 1.3%

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BRAZIL

JANUARY DROP IN RESERVES OF \$1.47 BILLION ALARMS GOVERNMENT

Brasilia CORREIO BRAZILIENSE in Portuguese 26 Apr 85 p 11

[Text] In January Brazil suffered a dramatic reduction of \$1.47 billion in its exchange reserves, in the traditional concept of international liquidity, despite the trade surplus for the month of \$569.74 million, the Central Bank announced officially yesterday. Although exchange reserves, in their broader sense, fell from \$11.99 billion to \$10.52 billion during January, Central Bank President Antonio Carlos Lemgruber gave to understand on 10 April that there was a recovery in February and March, in announcing that the nation's cash on hand--ready reserves --increased from \$7.5 billion to \$7.6 billion during the first quarter.

The loss of \$1.47 billion in reserves in January could have been even greater were it not for incorporation of \$144.6 million net of gold, as the net expenditure of convertible foreign exchange held by Brazil was \$1.62 billion during the month. At the end of January the nation had a reserve of \$9.89 billion of convertible foreign exchange and \$632.5 million of gold, according to official figures of the Central Bank.

Despite the drop in January, the Central Bank still expects to close this year with exchange reserves, in their traditional concept, of \$13.26 billion. To reach this goal, the data from February through December will have to show a net increase of \$2.74 billion. As incorporation of gold is estimated at \$400 million, Brazil will have to increase convertible foreign exchange by \$2.34 billion to accumulate \$13.26 billion of reserves--the amount promised to foreign creditors--by the end of December.

The January figure supports the thesis that if Brazil does not ask the bankers for new money in the multiyear renegotiation of the foreign debt it will run the risk of bringing on heavy liquidation of exchange reserves to close the external accounts this year. To complicate matters, in May the nation will again--as occurred in February--be without the \$400 million expanded financing installment from the International Monetary Fund.

The liquidation of reserves in January was surprising, in view of the absence of foreign-debt amortization payments falling due at the beginning of this year. Everything indicates that there was an abnormal accumulation of payments for interest and other services abroad, but it could also be a red light going on because of the weak performance of exports, which continued throughout the quarter--a trade surplus of only \$2.36 billion.

The death of Tancredo Neves increased the negative significance of the loss of almost \$1.5 billion in foreign reserves during the month of January alone. The Central Bank does not know on what date the IMF will send the mission that will negotiate the nation's eighth letter of intent to the fund--originally scheduled for 2 May. Today Finance Minister Francisco Neves Dornelles and Lemgruber will set the dates for their respective trips to the United States for resumption of talks with creditor banks and the IMF.

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BRAZIL

METALWORKERS' RADICALIZATION, SOCIALIST CONVERGENCE ROLE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 May 85 p 50

[Text] The approximately 15,000 metalworkers attending a special membership meeting in Baeta Neves Stadium in Sao Bernardo do Campo yesterday voted by acclamation to continue their strike. "The strike will continue, even if at the cost of more dismissals, purges and even deaths," Jair Meneguelli, president of the metalworkers' local, said from the platform. Moreover, the Sao Caetano do Sul strikers, meeting at the city's bus terminal, decided early yesterday to continue their sitdown strike, a procedure they adopted last week, until it had to be interrupted as a result of legal action taken by General Motors (which employs half of the city's 25,000 metalworkers) and by ZF of Brazil (1,400 employees) to regain possession of the premises.

'PMDB Became PDS'

Luis Ignacio da Silva, national president of the PT [Workers Party] and director of the Sao Bernardo and Diadema Metalworkers Union, the final speaker, drew inspiration for his remarks from yesterday's newspapers. At one point he said: "I almost fell over backwards when, in reading this morning's papers, I came upon this headline: 'PDS [Social Democratic Party] Considers Strike Legitimate.' But we must realize that this is very easily understood. The PDS is using the same arguments that the PMDB [Brazilian Democratic Movement Party] was using in 1980. Now that the PMDB is in power, it uses the arguments that used to be those of the PDS. Even Fernando Henrique Cardoso is saying that this strike has been infiltrated. The infiltrating agent is the hunger and illness of the worker. [Labor Minister] Pazzianotto has been saying that the law must be enforced. This is the same argument that we heard from Maluf, from Figueiredo and even from Colonel Braga, the one who ordered the workers driven out of the Largo da Matriz. Governor Montoro then says that this strike is creating a disturbance and that he is the protector of human rights. But he created a police force that was to take over the schools and that is beating up workers at the factory gate. And Sarney is doing the same thing as Figueiredo, preferring to attend a cattle show rather than to come here and participate in a meeting of workers."

Luis Ignacio tried to console those who had been fired for just cause, advising them not to despair. He announced that a meeting will be held tomorrow at 1500 hours at union headquarters to counsel those who have been laid off. And he called another membership meeting, to be held at 1900 hours on Wednesday in

the Municipal Palace, for the purpose of changing tactics of the strike against Volkswagen, Mercedes-Benz and Ford Brasil. Said Luis Ignacio: "Volkswagen has 2,000 men ready and willing to cross over the Via Anchieta and start up operations in the Volkswagen truck plant. But this will not happen, because by that time we will also be ready and the workers know what must be done to prevent these men from crossing the Via Anchieta."

Burial of FIESP

The meeting was preceded by the mock burial of the FIESP [Sao Paulo State Federation of Industries]. A black cardboard casket, with FIESP written on the lid, was solemnly carried across the stadium field, to the accompaniment of the Funeral March.

Miguel Rupp, president of the Santo Andre Metalworkers Union and the first speaker, emphasized that "we broke the taboo of 48 hours [notice] and split with the FIESP, making several separate agreements."

Union Opposition

The other membership meeting was that of the Sao Caetano metalworkers. But it was held by the union opposition, associated with the CUT [Sole Central Organization of Workers], and not by the union officers, who follow the lead of the other central union organization, the CONCLAT [National Conference of the Working Classes]. In fact, a third membership meeting was that of the union officers, but only 50 workers attended, while that of the opposition was attended by over 6,000 workers.

The large attendance at the opposition meeting--one of the largest meetings ever held in Sao Caetano--showed that, in practice, the CUT and the PT have taken the reins of the labor movement in that municipality.

But Joao Lins, president of the union and associated with CONCLAT and the PMDB, said that "the strike has become exhausted and General Motors has not negotiated until now because of the CUT and the PT."

Sitdown

The most important decision of the opposition meeting in Sao Caetano, beyond simply continuing the strike, is that it is to take place inside the plant. This has caused General Motors to announce that it will decide whether or not it is advisable to open its gates tomorrow morning. It is explained that there is a risk of the sitdown strike being resumed, but on the other hand, if they do not open their gates to the workers the organizers of the strike will call it a lockout. Any lockout, in the view of the strike leaders, would change the nature of the strike, and there would be no basis for dismissal for just cause.

There will be another membership meeting tomorrow at 1800 hours, in the bus terminal.

Convergence Splits Strike

"This bunch of bums from the Socialist Convergence just wants to make noise; they have not learned what we have learned since 1978." This assertion, made by one of the directors of the Sao Bernardo do Campo Metalworkers Union in an exasperated tone, has been repeated by all the entity's directors in recent days, although union officials prefer not to "criticize the radical group publicly," in order not to "split the unity of the independent unions." Even the president of the Workers Party and director of the Sao Bernardo union, Luis Ignacio (Lula) da Silva, although saying that he prefers not to elaborate on comments about the activities of leftist organizations in the current strike, cannot hide his displeasure with what has occurred in Sao Jose dos Campos: creation of Metalworkers Militia and capture of 370 "mensalistas" [persons hired by the month] on General Motors premises by strikers associated with the Socialist Convergence.

"What they did in Sao Jose dos Campos was completely asinine," repeats Luis Ignacio (Lula) da Silva, mentioning that during 24 days of strike action there was no other case of violence having such repercussions as this one. In Sao Bernardo, the entity's directors say, with a larger number of workers and companies, "the strike is peaceful, no factory has been taken over and no one has accused us of violence."

Union officials, most of them associated with the PT, do not conceal the participation of other leftist groups in the region's labor movement and even in the industry's mobilization committee. Of the 400 members of that committee, says Jair Meneguelli, president of the Metalworkers Union and of the Sole Central Organization of Workers, 5 or 6 are "convergents." There are also some from the Brazilian Communist Party, from the Communist Party of Brazil and from some other less-known underground organizations, as another official of the union asserts, explaining that "no ideological certification is required of anyone who wants to take part in the union movement." But PT leaders assure that in Sao Bernardo these ideological currents are in the minority, although they are always trying to have the protest movement take a different path.

An example of this, cited by one of the union's directors, a PT member, occurred during a union mass meeting in front of the Volkswagen plant, when the union director wanted to end a work slowdown and the members of the organizations further to the left wanted the firm's 32,000 workers to stop production completely. The presence of Luis Ignacio (Lula) da Silva was needed in front of the Volkswagen plant to enable the PT position to prevail. Even so, the decision of Lula and Meneguelli was booed by a small group. The same thing happened on the occasion of the death of Tancredo Neves, when members of the independent unions advocated suspending the strike during the period of mourning. The suspension lasted only 2 days in Sao Bernardo, while in the other cities the movement was interrupted only because of the national holiday on 22 April [the day after Neves died]. In Sao Bernardo, a group from the Convergence--which is seen daily at the factory gates distributing pamphlets and which usually consists of scores of students--even distributed leaflets criticizing the position of Meneguelli, accusing him of being "a negotiator for the bosses."

Lula, the 'Christian'

According to one of the directors of the Sao Bernardo union, the Socialist Convergence has been operating in the ABC [industrial sections of Santo Andre, Sao Bernardo do Campo and Sao Caetano do Sul] since 1978, although without much impact. During that time, he said, a "convergent" became a director of the entity, and, as he was always voted down on all questions, has moved to Minas Gerais, where he has been operating openly. According to this same director, most underground leftist groups were "banished" from the union after the elections of 1981, after the end of ministerial intervention in the entity. These groups were openly critical of Luis Ignacio (Lula) da Silva, accusing him of making up with the church (Brother Beto was always one of Lula's advisers) and of being "too Christian."

It was at that very time that the PT began to be organized and that the union movement as a whole had its greatest split. Two years after formation of the PT, union leaders associated with the party founded the Sole Central Organization of Workers. Marxist groups, because they did not agree with the PT's operating methods and because they did not want to lose unions in which they had hegemony, joined with officials of the independent unions and the interventors from the Labor Ministry to found the National Conference of the Working Classes (the second central labor union organization in Brazil). The more radical underground organizations, including the Socialist Convergence, remained in the CUT and PT wing.

However, although in most smaller towns in Sao Paulo State the Socialist Convergence is a minority group and its operation is restricted by the PT, the same cannot be said about its role in Sao Jose dos Campos. In that city, in order to be elected president of the metalworkers union, Jose Luis Goncalves had to make a settlement with the Convergence, giving over important offices in its leadership to members of the underground leftist group, such as vice president (held by Benedito de Oliveira), secretary general (Antonio Donizetti), and another minor post (held by Amelia Naomi).

And since the settlement was made the Socialist Convergence (of Trotskyite leanings) has been taking the initiative in conducting the union movement in the city. This group, supported by City Councilman Ernesto Gradela, was responsible for formation of the "Metalworkers Militia," with more than 300 strikers ready to shut down companies in Sao Jose dos Campos with the use of violence. This "militia" was deactivated only after intervention of CUT officials in the region, in view of the very bad impact on public opinion.

Another act of this extremist group was to call a strike at EMBRAER [Brazilian Aeronautics Company] simply because the company was celebrating an anniversary and had invited some authorities to the ceremonies, which could cause some impact in the press. The strike was called and only several hours later did the union president learn of it. The same thing happened in taking over a General Motors plant in the city, when the strikers decided to hold 370 metalworkers as hostages.

BRAZIL

GOVERNMENT HAS SUPPORT OF TWO-THIRDS VOTE IN CHAMBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Apr 85 p 4

[Text] Brasilia--The government has the support of over two-thirds of the members of the Chamber of Deputies and is on its way to achieving the same superiority in the Senate, at which time it will be possible to implement political and economic changes that require constitutional reform, without any help from the opposition.

There is a growing tendency among PDS [Social Democratic Party] congressmen to support President Jose Sarney, against the wishes of their leaders, Prisco Viana and Murilo Badaro, respectively. Some deputies want to support him because they are unable to get along without official favors. Others feel that they would be rowing against the tide--against the trend of public opinion--if they were to join the opposition to a government that has not yet begun to benefit from the nationwide emotional response to the tragedy that befell Tancredo Neves. Such a movement should also have repercussions in the Senate, where there are politicians that are likely to leave the PDS for the PMDB [Brazilian Democratic Movement Party] in an effort to survive politically.

At present the PMDB has 202 deputies and the Liberal Front Party [PFL] has 100. About 30 PDS deputies, associated with Communications Minister Antonio Carlos Magalhaes, ex-leader Nelson Marchezan and Deputy Thales Ramalho, will vote with the Jose Sarney government, not to mention the PDT [Democratic Workers Party], PTB [Brazilian Labor Party] and PT [Workers Party] members who may decide to do the same thing. Approval of constitutional amendments requires the vote of 320 deputies, two-thirds of the members of the Chamber, which the government already has.

"We are close to that in the Senate," asserts the PFL leader, Deputy Jose Lourenco.

The PMDB leader, Senator Humberto Lucena, shares the same optimism, in view of the PDS breakup:

"We will reach the two-thirds. The PDS is collapsing. That is what is happening in Sergipe and throughout the country."

Young Deputy Jutahy Magalhaes (PDS-BA [Bahia]) admits: "There are so many people wanting to switch sides." And he quickly adds: "But I am not one of them. Existence of an opposition is essential for the nation; without it, who will act as a watchdog on the government?"

Veteran Amaral Neto (PDS-RJ [Rio de Janeiro]) asserts that "whoever loses the election is obligated to be part of the opposition, which does not mean opposition to the regime." He takes exception, however, to the proposal of ex-leader Nelson Marchezan for rapprochement with the executive branch: "Nelson Marchezan is in the PDS only because he has not left it. He is part of a group that does not acknowledge party leadership. He is a PDS who is no longer a PDS. They are waiting for an opportunity to change uniforms. It is a group of deputies that we cannot count on."

Freshman Deputy Clark Placton, from faraway Amapa, proclaims loudly and sonorous-ly: "I favor national reconciliation. The economico-financial crisis is devastating and this is no time for parlor magic. The PDS has the duty to back down, without losing its individuality."

"I favor political reconciliation, which does not necessarily mean changing parties or receiving government jobs. We must join forces to confront our difficulties," adds gaúcho Oly Fachine.

At present, the senators are divided as follows: 26 PDS, 24 PMDB, 17 PFL, 1 PTB (Nelson Carneiro) and 1 PDT (Roberto Saturnino).

It is expected that Maluf's PDS supporters will try to join the government, becoming members of the PMDB in the states where the governor has joined the Liberal Front, in the expectation of preserving their position and their political survival.

During the early days of his term, at least, President Jose Sarney can count upon a heavy majority in Congress, which could even increase, thanks to the good personal relations he has among politicians, especially in the Senate, where he has been a member since March 1971, when elected by the people of Maranhao. This massive support will make possible passage of constitutional amendments, which require approval of two-thirds of the members of the Chamber and of the Senate. It is said within the government that, as he comes from Congress, where he has served since the late 1950's, he can be expected to do everything possible to maintain and expand his congressional base in a government in which Congress will again be one of the three powers of the republic.

8834

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BRAZIL

FIVE FIRMS TO PARTICIPATE IN DAM CONSTRUCTION IN PRC

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Apr 85 p 24

[Article by Rubens Rodrigues dos Santos: "Brazilian Technology for a Chinese Powerplant"]

[Text] Five Brazilian consulting companies will sign an agreement with the government of the People's Republic of China [PRC] for performing technical services related to the Tianshengqiao Hydroelectric Project, which will be carried out on the Napan River, in the southern part of the country. This will be a large dam 180 meters high of rocks with a concrete facing and a hydroelectric plant with an installed power of 1,200 megawatts, equivalent to the Jupia Powerplant.

The companies in the project, who grouped to offer their services to the government of China, are the CNEC [expansion unknown], Hydroservice, Leme, Promon and Themag, which in Brazil are participating in several private and government undertakings in different sectors of activity, among which are the hydroelectric plants of Itaipu, Sobradinho and Tucuruí, as well as industrial projects having to do with iron and steel, transportation and maritime and river transportation.

That information is particularly auspicious at a moment in which Brazilian engineering project and installation companies are facing difficult days in Brazil as a result in the reduction of the rate of contracts obtained under the Joao Figueiredo Government and the beginning of the New Republic. The order of the day is "do not spend," which is fully justified in the early months of the government so that the new leaders may evaluate the inheritance received and impose their philosophy of work on the immense tasks they are about to perform in the country, but that slogan can never be accepted in full for a long period of time because we run the risk of compromising Brazilian development and that would bring serious harm of economic and social type to the country.

Under any political system, we are a new nation comparable to a large work site, where 130 million Brazilians need to generate work and wealth that will allow them to offer nearly 3 million new jobs per year on one hand and, on the other, acceptable conditions of welfare not only to those who have worked for many years and because of that offer valuable experience,

but also to those who gave the best of themselves and because of that are due the benefits of retirement. In everything there are credits and assets and it is up to the discernment of public and private administrators to properly evaluate them and then establish the directions which are most suitable for the nation on the basis of a strict evaluation of costs and profits.

Brazilian engineering is reaching successive successes abroad but it is important that the government note that the project and installation companies cannot stop working here where they are necessary so that we may enjoy the wealth existing in the immense territory we have the responsibility to tame.

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BRAZIL

POLITICAL, ECONOMIC UNCERTAINTY REFLECTED IN CONSUMER SPENDING

Sao Paulo0 ESTADO DE SAO PAULO in Portuguese 17 Apr 85 p 22

[Text] The climate of political and economic uncertainty the country is undergoing because of the disability of Tancredo Neves, added to some measures adopted by the government such as the freezing of prices of industrial products, changed the behavior of the consumer, influencing commerce, industry and the general economy. The economic reheating, which had been taking place since the second half of last year with the release of resources saved because of optimistic prospects, with the entry of the new government was replaced by uncertainty, which affects politicians, businessmen and the people equally.

The Commercial Association of Sao Paulo, in its contacts with retailers and large stores, recorded a significant decline in activities in the last 30 days, "in a very worrisome paralysis." At the same time, in March there was a decline in the number of credit checks made with the SPC (Credit Protection Service) by the Association, by comparison with the same period last year, which shows that there was a smaller number of people seeking credit.

According to Girz Aronson, sales in his store fell 50 percent since the beginning of April and he described the paralyzation of the economy as a "regression for the retail trade," which up to March had maintained the good performance reached in the second half of 1984. Aronson attributed the retraction to the concern among the population about the future, which affects the way they spend the money earmarked for consumer goods.

Aronson confirmed the report by FIESP [Sao Paulo State Federation of Industrials] that the retail trade is waiting for the end of the month to buy from industry, and he forecast that those purchases will not be at the same rate they had been maintaining. The retailer pointed out that there is talk of an up to 20-percent increase in the price of industrial products next month and he estimated that the retail business will have to sell according to the old scale of prices "like the automobile concessionaires do."

Industry

The decline in sales by industry to the retail trade does not surprise the president of ABINEE (Brazilian Electro-Electronic Industry Association), Firmino Rocha de Freitas, "because with the freezing of prices, the retailer plays with marked cards, knowing that prices are not going up for 30 days and only buy on the last day." To Freitas, the policy of the government "Played industry into the hands of the retail trade," and he believes that the action of the retailers is "legitimate" because the rules of the game are very well known."

The electric appliance sector was one of those most affected by the decline in consumption, with the line on the sales graph an unpleasant surprise and the domestic electronic sector has a significant stockpile. For the president of ABINEE the government should remove the freeze imposed on the industry or extend it to the entire economy.

8908

CSO: 3342/155

BRAZIL

BRIEFS

MONETARY COUNCIL ISSUES MEASURES--The big National Monetary Council [CMN] measures package has been released. The measures are: The banks will set the limits for guaranteeing special checks and thus commercial banks can exchange credits among themselves to facilitate liquidity; legal reserves on term deposits are lowered from 22 to 20 percent; independent auditors will furnish control information to the Central Bank; the government will extend more export credits; an assistance program for state banks in difficulties have been approved; commercial papers earning post-dated monetary correction will have the same fiscal treatment as other papers; and 100,000-cruzeiro bills bearing the likeness of Juscelino Kubitschek will be printed, but these bills might not circulate long because the government is thinking of dropping 3 or 4 zeroes on the cruzeiro bills. After the CMN meeting, Councillor Salmon de Sa explained that with the reduction of legal reserves at the banks, interest rates may immediately drop by half a percentage point. Finance Minister Francisco Dornelles assured that price regulations will be maintained and that the fiscal and monetary policies will be tightened so as to lower inflation. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 3 May 85 PY]

SUBMARINE CONSTRUCTION AUTHORIZED--The Finance Ministry has authorized the Navy to contract a \$200-million loan in order to proceed with the construction of three submarines. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 2 May 85 PY]

SATELLITE IN CROP FORECASTING--Crop forecasts and weather information, with special reports for agriculture, will be made by satellite. Agriculture Minister Pedro Simon and the director general of the National Institute of Space Research (INPE), Marco Antonio Raupp, yesterday hammered out final details for signing a contract between the Agriculture Ministry and the Science and Technology Ministry, to which the INPE is attached. According to Marco Antonio Raupp, use of the satellite will make it possible to detect in advance occurrence of frosts, hailstorms and dry spells so that farmers can prepare to protect their fields. He said that with the satellite, possibly the Landsat, tracking of cultivated areas will enable the Agriculture Ministry to obtain more precise crop estimates. In previous years, Landsat performed studies to predict the rice crop for IRGA (Rio Grande Rice Institute). The satellite will avoid errors in crop forecasts made by the CFP [Production Financing Commission], currently accomplished on the basis of data from cooperatives, farmers' associations and rural credit granted by the Bank of Brazil. [Text] [Brasilia CORREIO BRAZILENSE in Portuguese 26 Apr 85 p 8] 8834

ITAIPU ENERGY PRICE--"The price of energy from Itaipu is no reason for special concern " for Brazil, Minister of Foreign Relations Olavo Setubal asserted yesterday after conferring for 2 hours with Paraguayan Minister of Foreign Affairs Carlos Saldivar. The problem, according to the minister, will affect the price of energy paid by Brazilians very little. Setubal admitted that the price of energy from Itaipu is a simple question but "it will be discussed opportunely within the time agreed upon." Saldivar said that since the signing of the Itaipu Treaty it was made clear that there will be adaptations in the price of the energy that Paraguay will sell to Brazil, in keeping with the dollar-gold ratio fluctuations. The two ministers said that the subject was not discussed in yesterday's talk. Saldivar expressed the hope that relations between his country and Brazil will continue "intense and cordial." He said that to confirm that desire, Gen Alfredo Stroessner was in Brasilia on 15 March at the inaugural of the New Republic. Paraguay desires a dialogue "of friendship and cordiality" with the transition government in Brazil. Saldivar also said that a "new organizational structure" is being studied for the Itaipu Binational. [Exerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 85 p 40] 8908

BRITISH VIRGIN ISLANDS

REPORT ON ROMNEY'S PRESENTATION OF PROPOSED BUDGET

Road Town THE ISLAND SUN in English 9 Mar 85 pp 1, 15

[Article by Vernon Pickering]

[Text] On Tuesday, March 5th, the second sitting of the second session of the 10th Legislative Council of the Virgin Islands was held at the Legislative Council Chamber, Road Town. The Order of the Day was quite crowded and included several important points. The most important of them relating to the Draft Operating Budget Estimates of Revenue and Expenditure 1985, and Capital Budget Estimates of Receipts and Expenditure. The Budget Address 1985 was read by the Honourable Chief Minister and Minister of Finance, Cyril B. Romney.

Introducing the Budget Address, Chief Minister Romney presented the Legislative Council with a global view of the previous year; this included a specific and detailed report on the situation in the Caribbean. Romney emphasized the adverse effects of political instability in other countries: "In investment terms, it is the old story--if there is political stability, the money will come and it will stay. At the slightest whisper of political or social instability, international money and people will desert an uncertain political ship and, unlike the prodigal son, may not return."

Touching on Taxation Policies and Law-making, the direction of this Government is to keep a sustained low taxation since this is very attractive to entrepreneurs and investors. However, low taxes are possible only when there is a firm control of Government spending and this seems to be the policy actually adopted.

In discussing Banking and Bank Supervision, Romney informed the Legislative Council of a very serious ins

tance that is causing major concern. Advice of an alleged fraud has come to the Minister of Finance from banks or individuals in Britain, Germany, Japan, Canada, Colombia, Paraguay, Panama, Israel and from numerous cities in the U.S. These incidents are related to LaSalle Bank and Trust Company, otherwise known as the First Continental Bank, which appellation it adopted sometime after incorporation apparently with fraudulent motives from the outset. The restricted bank-

ing licence, issued some years ago, to LaSalle Bank was revoked shortly after the election of the present Government in November 1983. In spite of the revocation of the licence, the company was still circulating among unsuspecting persons abroad, a headed paper giving a post office box in Road Town as its address. "It is my intention and that of my colleagues, to try to ensure that the BVI does not become a haven for the purveyance of

fraud by the phoney, the bogus and the crooked" said the Chief Minister. After this gloomy picture, some more positive reports were made concerning the increased availability of funds deposited in the financial institutions in the Territory.

At the end of the third quarter of 1984, total deposits had grown to \$196.4 million and funds deposited locally comprised 67.8% of this total. Over the same period, loans and advances amounted to \$45.9m compared with \$40.5m in 1983, an increase of 13.3%. Property loans accounted for 37%, construction 13%, commercial loans 29% and personal loans 18%.

Public debt continues to be satisfactory and the total debt obligations for 1985 are less than those for 1984 by some \$63,000. This is largely due to the liquidation of part of the 1983/86 electricity loan.

The new Budget includes approval for 19 new posts in established staff. These, together with the 21 posts created in 1984 brings the Public Service to a massive increase of 45% in numbers in the four years from 1981 to 1984. Two new departments are being inaugurated, a separate unified Fire Service and an expanded Ports and Marine Services Dept.,

while attention is drawn to the provision for establishing a small anti-drug squad in the Police Force.

The 1985 Draft Operating Budget Estimates envisage total revenue of \$21,370,000 and proposed total expenditure of \$20,123,100 with an estimated surplus of \$1,246,900 to be allocated to the Capital Fund for various locally-funded projects. A reduction of \$200,000 in the expenditures for the maintenance of public roads was made possible thanks to the approval of a British Development Aid Grant.

The impact of a strong dollar on the British pound reflects negatively also on the British capital aid to this Territory. Compared to only three years ago, the decline is a drastic 50%. And this is not all. With the hope that the pound will stand firm at the low ebb of \$1.10 to 1 pound sterling, the new aid provision will have dropped still further to 64% of the dollar equivalent of the allocation for the present UK financial year.

Among the new policies, the Minister of Finance pointed out some moderate measures to increase revenues. These include a raise from 5% to 7% in Hotel Accommodation Tax. Increased royalties are expected from the

sale of the 1985 coins set; the new Philatelic Bureau is also expected to make a total net return to the public purse in 1985 of \$900,000. Furthermore, the Philatelic Bureau is expected to create about 20 - 30 jobs for BV Islanders. Romney also forecast some increase in hospital charges, this increase is the first since 1978 and it will be kept at the lowest level possible.

SITTING OF LEGCO

ved that "the Annual Estimates for 1985 would be referred to the Standing Finance Committee, the deliberations of which shall be in private; that the order of reference shall be to examine how departments of Government carry out their responsibilities; to make any amendment and to report. That the membership of the Committee shall consist of the whole Council with the Speaker as Chairman; that a quorum of the Committee shall be such as has been prescribed for the whole Council; and that the procedure in the Committee shall be as the Chairman shall determine."

The Budget Address, which was delivered by the Honourable Chief Minister, took over an hour and was most detailed. Following the completion of the Address, the Council adjourned sine die.

BRITISH VIRGIN ISLANDS

TRANSCRIPT OF OPPOSITION QUESTIONS TO GOVERNMENT, RESPONSES

Road Town THE ISLAND SUN in English 9 Mar 85 p 3

[Text]

QUESTIONS BY THE
LEADER OF THE
OPPOSITION
HON. H.L. STOUTT
TO THE CHIEF MINISTER
HON. CYRIL B. ROMNEY

QUESTION 1

Will the Honourable Chief Minister tell this Honourable House if it is his Government's intention to issue a licence for gambling to any foreign concern in the BVI.

ANSWER

Mr. Speaker, Sir, the Government has no intention of deliberately breaking the law of the land; the answer, therefore, is "no".

QUESTION 2

Will the Honourable Chief Minister tell this Honourable House if an application was made to the Government to bring the ship Paco Rabanne to be stationed here in the BVI? If the answer to the above is yes, could he tell this Honourable House what he expects the benefits will be to the BVI?

ANSWER

Mr. Speaker, Sir, no application was made.

QUESTION 3

Will the Honourable Chief Minister tell this Honourable House what is the plan for the Industrial Park in Wickhams Cay II — bearing in mind the comments made in the report by the United Nations, which was laid in this Honourable House.

ANSWER

Mr. Speaker, Sir, following consultation with the Caribbean Development Bank, Government decided to withdraw the application submitted by the previous Government to CDB for funding of factory shells on Wickhams Cay. The project as conceived was not viable and, furthermore, there was no evidence of the existence of the demand projected to justify the project. CDB has been asked to consider the feasibility of providing a multi-purpose facility which will include warehousing and some shops as an alternative.

QUESTION 4

Will the Honourable Chief Minister tell this Honourable House what is the latest plan for VINDEL.

ANSWER

Mr. Speaker, Sir, the question of VINDEL will be dealt with at greater length in my imminent Budget address. Succinctly stated, however, this project will be reviewed as part of a strategy to promote craft skills in as practical and economic a manner as possible.

QUESTION 5

Bearing in mind the comments made in the United Nations report and the Speech from the Throne, will the Honourable Chief Minister tell this Honourable House what plans he has for constitutional advance and what time the general public will have a chance to make their comments.

ANSWER

Mr. Speaker, Sir, it is not clear what the Honourable Member means in the context of this question by "constitutional advance" but I can say that I have no plans at this time.

QUESTION 6

Will the Honourable Chief Minister tell this Honourable House if he is in favour of

Independence for this Territory, and if so, what is his time table.

ANSWER

Mr. Speaker, Sir, as the Honourable Member would know, my personal views on this matter are of no account it is the views of the people of the British Virgin Islands that matter.

QUESTION ADDRESSED TO THE MINISTER OF COMMUNICATIONS & WORKS

QUESTION

Will the Honourable Minister for Communications and Works tell this Honourable House the date set for carrying on the road works from Doty to Windy Hill?

ANSWER

Mr. Speaker, Sir, with your kind permission I will reply. No date so far has been set for carrying out of road works from Doty to Windy Hill. The Doty to Windy Hill road is still on the Ministry's list as one of the many roads for which improvement is necessary and one which will be undertaken as the necessary funds become available.

24 May 1985

BRITISH VIRGIN ISLANDS

OPPOSITION OFFICIAL OFFERS VIEWS ON GOVERNMENT'S RECORD

Road Town THE ISLAND SUN in English 9 Mar 85 pp 1, 2, 15

[Interview with Ralph T. O'Neal by Vernon Pickering]

[Text]

It is now sixteen months since the United Party took power.

The economy of the country seems to be going through a particularly delicate period, it is therefore interesting to know the opinion and views of one of the most outstanding figures of the Opposition: Hon. Ralph O'Neal.

The well known politician has been interviewed by The Island Sun shortly after the Legislative Council Budget Address for the year 1985. In his replies, Hon. O'Neal has displayed concern for our growing economy and has discussed most of the hot topics that are causing concern in our community.

I.S. — Today, the Chief Minister and Minister of Finance Hon. Cyril B. Romney, has addressed the BVI Legislative Council with his Budget policy for the year 1985. What is your opinion about this extremely important address?

R.O.N. — First of all, the Budget contained a provision for total revenue for over \$10 million and an expenditure of the same amount. There have been one or two minor changes in the lay-out of the estimates themselves, but by and large there have not been a lot of changes. Nineteen new posts have been created and there has been some increase in expenditure for the Tourist Board, from \$550,000 to \$600,000 and one or two other provisions like that. On the revenue side, there is an estimated decrease compared to last year in stamp duty and this, I think, is bad. Something seems to be wrong there. There is quite a big increase in hotel accommodation tax, almost a million dollars; whether we get that or not, I do not know. Company licence fees also show a big increase and income tax is expected to go to over \$6.8 million, and, of course, cus-

tom's duty (\$5,200,000). Those are the main-heads of licences and revenue. This morning, the Chief Minister gave notice that hospital fees will be increased; they haven't been increased since 1977 and it now costs over a million dollars a year to run the hospital, so there might be justification for an increase.

Another area that is expected to bring in a lot of money this year is the Philatelic Bureau which has just [passage illegible]

At present, C & W has a very low fee but it is expected that there will be increased fees. However, we do not know when the Agreement will be signed. The one area that is a new feature which was introduced: there is an amount of \$100,000 this year for district projects and this is money that will be used for minor projects throughout the districts; like a small bit of road here, some garbage bins, etc. This is a new and welcome feature I think, and I was very glad to see that. It is also hoped that we will get some money from the European Development Fund to start the water development on Virgin Gorda and Sea Cows Bay. There is also a provision for a backho for Anegada, which is needed to keep the roads up there in better condition than they are at the moment. We are now doing the estimates in detail, head by head, and we wouldn't get through that until Wednesday, late afternoon.

So far, the heads we have examined we are satisfied with. ~~There is very little one~~ can do in a situation like this. In other countries, the Bud-

get is really the instrument of policy that the Government uses either to deflate the economy or to pump the economy if necessary; but because it might have quick changes in taxation and whatnot, but in our context this is not the case. The Budget really is a list of projects which are expected to get done, and usually at this time what the members are going to do, is to see what the Government is going to do in providing infrastructure. I think, from what I see in the Budget, there seems to be a good plan in roads and water which are very basic things especially here in the tourist area, but the problem is that

[passage illegible]

could be done if they ~~get all the funds as~~ set out in the plan.

I.S. — What is your opinion about the United Party Administration?

R.O'N. — I went through their manifesto in detail, I read it. I didn't agree with all that was in it; when they came to power, I promised in the Legislative Council on the Opening, that I would support them in their policies and whatnot. But really, for the first 14 months I have been disappointed. I expected a more vigorous situation where things will get moving and cracking and, to be frank I am disappointed that this didn't come about.

I.S. — Which are, in your opinion, the basic differences between the United Party and the Virgin Islands Party?

R.O'N. — I think both Parties claim they are parties of the people and for the people and both claim to be working in the best interests of the BVI; of course, all

parties say that, but it is really difficult. Perhaps the U.P. is more cohesive: it is a ~~tight little group that holds~~ very close together. Whereas the V.I.P. was looser and there was not a centre that would keep it together.

I.S. — Do you think we will have a stable government until the next elections in 1987?

R.O'N. — I would hope that the Government remains stable because it is on the stability in Government that we will survive. If we are unstable, investment will not come about and it is my hope that we will have a stable Government. It is such an advantage to the Territory to have a stable Government. Now, whether this will happen or not, I don't know, but I hope it will happen.

I.S. — Do you think that Independent candidates will play an important role in the next elections?

R.O'N. — Oh yes, I definitely think so. I believe there will be more Independents in the next elections than even in the last one, because I think people are fed up with both Parties to be quite blunt. People seem to be disappointed with both Parties.

I.S. — If the political scenario would suddenly change and you became Chief Minister, which urgent measures would you enact to have immediate beneficial effects?

R.O'N. — (chuckling) What I see needed to be done here (pause) immediately is to make sure that investors are CONFIDENT. I think it is getting a little bit uncertain now, but we have to make sure that that does not happen. You have to keep investors' confidence UP. We got to spend a lot more money in

the educational system. Our boys and girls must get to training schools, technical institutions, because there is quite a big, big drop. I think we need to train people for the hotel industry, for the tourist industry, for the offshore banking business. We need to spend a lot of money — that should be one of the TOP priorities. And we should begin from in the primary school. We have got to re-orientate our people towards the industry that we are going to depend on. The other area that needs prompt attention is a road safety programme. Driving from Beef Island Airport to Road Town is not so pleasant; it could be a nightmare for people.

I.S. — What do you think about our Immigration system?

R.O'N. — We are in a very peculiar state. We are small, we have a small population, yet we have got to develop. We are trying to. If we are too tough on Immigration it might have adverse effects on us, because first of all we depend on tourism, secondly, ~~our people go away~~ We have a lot of people that go to St. Thomas every year and if we are too tough on Immigration here, we might have adverse effects on our people that go abroad. On the other hand, if we are too slack we could get swarmed overnight and if our people do not have all the stamina and whatnot to withstand this flooding, we would be destined to become a sect of servants and maids. We ought to be careful with that. It is a matter that must be given a lot of care and attention. On one hand, we need Immigration people who welcome visitors and strangers who are the life

and blood. On the other hand, we cannot afford to have undesirable and what-not people coming in. I go for a policy that is tough on the undesirables etc., a policy that protects our people but at the same time, a policy that welcomes tourists upon which we depend.

I.S. — What do you think of the Paco Rabanne affair?

R.O'N. — As far as I am concerned, it was never on. I don't care what the newspaper says. No members of our Council or anybody would have encouraged that ship in the minutest way to come here. I think the fellas in St. Thomas are trying to pull a fast one. I wasn't really too worried. I did write a letter to the Governor since internal and police come under his domain if the ship would have come in our waters (say, 3 miles from St. Thomas) if we were going to permit it there. I never thought that ship would have ever come into our basin here in Tortola. Never.

I.S. — What do you think of the present tourist season?

R.O'N. — It got off with a slow start. Now I understand that the Chief Minister has authorised an expenditure of \$100,000 for a crash programme to get people down here this winter, but I think that that money is wasted. I don't think that that will produce much. I believe that we've got to get this business established. All the year, Little Dix was full. There must be some reason for that. Whatever that reason is, we've got to find that same reason. I was very concerned two months ago, not seeing tourists in Tortola, I did not know what was happening with the business. We got to

work on a plan that people will want to come here whether the dollar is strong or whether the dollar is weak. I don't know if we have yet found the answer. February apparently wasn't too bad, January was not one of the months people were rejoicing either. I understand that even Xmas, December, ~~wasn't what we expected~~ it is true there are these people coming on these small ships but I don't know if they do a lot of spending in the shops and in the bars.

I.S. — There has been some controversy in public opinion about the speech given by former Secretary of State, Alexander Haig, at the recent Medical Conference. What is your opinion?

R.O.N. — I know the speech, I went to hear it. Mr. Haig was not speaking to BVI Islanders. He had an opportunity to talk to a group of Americans which happened to be in Tortola. I didn't agree with some of the things he said, but that is a matter of opinion. However, I believe that his visit here could have some good effect. When I say that, past Secretary of State is still a person with some influence and now that he has come and has seen the BVI, he might be able to get us to be better known in Washington. He still has influence at the White House, I believe. Regarding the speech itself, I think a lot of Americans are not really aware of what is going on in the Caribbean. It is therefore, good that someone brought to their attention, the seriousness of what is happening in the West Indies. I feel that when important people like that can bring news at home, the more they will be able to understand. People that reside here, and some who do not reside, writing letters

well, they may have their reasons but I don't know how much interest they really have in the BVI.

I.S. — In spite of a weak season, Virgin Gorda seems to be doing well. How are things going there?

R.O.N. — Little Dix, Biras, Leverick, Olde Yard, Trade-winds, Bitter End are doing well. A lot of constructions are going up. Little Dix remains the mainstay of the economy and other little industries are going hand in hand with that. There is also a tendency in going back into Agriculture and Fishing. Now, so far that we are pleased with the way things are going, but we are concerned about some other things. Electricity, as you know, is something we cannot do without, and I think that there is a need for a separate generator on Virgin Gorda. We do need to have a generator there. The water system also needs improvement. A priority need is also a jetty for the cargo boats. Also, more telephones are needed, there are now over 100 applications for Virgin Gorda awaiting. Road improvement to Coppermine is also urgent. A good trend in VG: young men are getting into ~~business, we now have new~~ generations of entrepreneurs like Harrigan, Vanterpool, etc. They are getting into businesses, services in the tourist industry. Some people have gone into restaurant businesses or they have improved their restaurant and they are getting very good patronage, like Mrs. Thelma King, Mrs. O'Neal, local restaurants well patronized by the tourists. Some people have gone into the fibreglass boat business, some have gone into taking tourists out scuba-diving. So there is some diversification in the economy and, as I mentioned

other than fishing and so on I.S. — What about a Clinic in VG?

R.O.N. — We do have one of the best Clinics in the out Islands in the Valley, but this was not provided by Government. It was built from funds provided by someone who used to come there regularly. The Government accepted it, I think Mr. Maduro was Minister then. There is a spare room to keep someone overnight but there is need to what may be termed a cottage hospital. Sometimes, we have as many as 500 tourists on that island.

I.S. — What about more autonomy for Virgin Gorda from an administrative point of view?

R.O.N. — I represent Anegada and Virgin Gorda, as you know; I believe the time has come when serious consideration should be given to having the local Council on Virgin Gorda, similar to what they had in Nevis some time ago. We need a local Council because the island produces a (emphasis) FAIR amount of the revenue. People want to know how money is spent: village roads, this and that, water supply, etc. Things people want to do, with guidance of the central Government, of course. You see, I have told the Chief Minister that it must appear to be given key to the voice of the people. People see what happens in other places on TV, and they wonder "why it can't happen in our place too?" — they know they pay taxes and they want to have more say, they know a lot of taxes come from Virgin Gorda. We have a district Council Act, it was one of the finest pieces of legislation passed in the Legco in the 50's and I believe that we should do something about it now.

BRITISH VIRGIN ISLANDS

PAPER PRINTS CHECKLIST FOR MONITORING GOVERNMENT PERFORMANCE

Road Town THE ISLAND SUN in English 9 Mar 85 p 12

[Text]

The following is a check-list of the things your Government is proposing to undertake during the year 1985:—

1. Request the establishment of machinery to consider certain constitutional reforms.
2. Maintain and foster links with Organisation of Eastern Caribbean States, Economic Commission for Latin America and IUESCO. ☐
3. Bring in Trade Mission from O.C.E.S. and accede to Agreement establishing Caribbean Centre for Development Administration. ☐
4. Continue discussions re. Eastern Caribbean Centre in USVI. ☐
5. Appoint Customs Adviser. ☐
6. Appoint adviser on legislation for registration of Insurance Companies. ☐
7. Computerise the system for payroll and central accounting. ☐
8. Appoint Tourism Director, Industry Development Officer and increase Headquarters staff. ☐
9. Improve Airport. ☐
10. Create new Department of Port and Marine. ☐
11. Take Action of Traffic conditions. ☐
12. Improve roads at Coppermine, Doty/Mt. Sage, Chalkwell/Sea Cows Bay, Doty/Windy Hill. ☐
13. Provide piped water from Capoons Bay to Frenchmans Cay and from Paraquita Bay to East End, Sea Cows Bay/Pleasant Valley and Virgin Gorda. ☐

14. Extend Sewer System to Huntums Ghut, MacNamara Long Bush, Purcell, Free Bottom Baughers Bay. ☐
15. Construct offices above Arrival Hall at West End. ☐
16. Make Provisions for management and discipline of Police Force. ☐
17. Re-organise the Fire Service. ☐
18. Streamline operation of Department of Agriculture and Fisheries. ☐
19. Provide office for National Parks Trust. ☐
20. Examine feasibility of acquisition of Nanny Cay. ☐
21. Train and equip Community Nurses. ☐
22. Improve standards of Administration at Peebles Hospital. ☐
23. Introduce legislation to improve care and protection of the mentally ill. ☐
24. Upgrade physical facilities and teacher skills in pre-primary education. ☐
25. Develop National Information System based on the Library and raise funds for National Library, Archives and Museum complex. ☐
26. Provide adequate staffing and housing for the renamed Department of Social Development. ☐
27. Increase the penalties for possession of illegal drugs and improve machinery for enforcement of legislation. ☐

Hold on to the list and check in the box whenever a goal is achieved. At the end of the year your Government can be scored out of a total of 27 marks.

BRITISH VIRGIN ISLANDS

GOVERNMENT CRITICIZED FOR FAILING TO OVERHAUL CIVIL SERVICE

Road Town THE ISLAND SUN in English 16 Mar 85 pp 13, 12

[Editorial]

[Text]

We have published the complete Speech from the Throne delivered by His Excellency the Governor at the Opening session of the tenth Legislative Council. Subsequently a Government Score Board, setting forth the proposals, as a check list, has appeared in this Newspaper. We have also indicated that on many of these issues, as time goes by, we will express our point of view. Before we embark on this exercise however, we would wish briefly to address one issue which we regard as a paramount importance and which has not been mentioned among the immediate objectives of the Government. We refer to the overhaul of the Civil Service.

A well known English academic has said that politicians do not govern, they supervise government. The actual work is performed by professionals, administrators and others who make up the Civil Service. There is undoubtedly more than a grain of truth in this assertion. In our islands, as indeed in all other states, without the effort of this cadre of workers the Government would collapse in short order.

The local Civil Service, which can be said to have become worthy of the term, began to take form in the 1940's. In those far off days a small band of loyal and dedicated people constituted a tiny work force which, in comparative terms at least, could hold its own with any in the smaller islands of the Caribbean.

As the political and economic systems expanded, ever larger numbers of recruits came into the system. Scholarships were awarded several of the recipients of which did their stint and decamped elsewhere - some never returned. Numbers of short term training fellowships took many to Britain and elsewhere to undertake courses that often could contribute little or nothing to the Territory because many of them bore no relation to its circumstances. In addition people trained for one job found themselves in another and consequently still untrained. This exercise, could not be considered a well-planned effort to which serious thought had been given and so the service, like Topsy,

'jes' grewed." The result is that in 1985 top positions have still to be filled by importations and "experts" recruited to "sit beside" the local holders of some offices. The middle management gap was apparently not filled by people who could automatically move upward. And the end does not appear to be in sight.

The consensus among all ranks of the Service, many of the political directorate and a good cross section of the public appears to be that the once proud Service has become bloated and the organism is sick, not with a single ailment but riddled with multiple diseases - apathy that results in failure to give a day's work for a day's pay; disregard of regulations, unpunctuality, absence from duty during working hours; inefficiency bordering in some cases on rank incompetence; square pegs in round holes hammered in so tightly that they cannot be pulled out; accumulation of dead wood; a healthy disregard for the public, cavalier treatment, and exhibition of bad manners often rudeness and arrogance even in the higher echelons; hints of suspected corruption; low morale.

There are, of course, parts and persons that are not affected. From them one hears comments such as "not like it used to be" "needs improvement," "lousy" "only waiting for my twenty five years to be up." And one gets the impression that even at the higher reaches of the service it is sometimes thought that the diseases are terminal.

It must be admitted that some efforts have been made in the past to deal with a deteriorating situation. Various Commissions have been appointed but unfortunately many of the better recommendations have either been ignored or watered down by the political directorate often for purely political reasons. The Public Service Commission raises questions with regards to its constitutional functions and disciplinary measures and outright separation are hardly ever seriously considered. And yet everyone continues to wonder.

The importance of a training "expert" and the establishment (even under the peculiar circumstances proposed) of a training unit is like putting a band aid on a festering wound. The need is for a thorough overhaul of the total machinery of Government and the change of an increasingly irrelevant system with archaic General Orders as guiding principles to meet the challenge of a next century. Half measures will not achieve these goals.

If the Government lacks the vision and the courage to undertake this urgent task the plans that in place for continued steady development will not come to fruition for they must be implemented by a loyal and devoted service in the best interest of the people of the territory. Virgin Islanders are basically good people and our Civil Servants are no exception. The support of a substantial number of serving personnel would be quickly forthcoming given the motivation and things could almost certainly be turned around.

We call on the Government to act now so that the future will not be put in jeopardy and their labours will not be in vain.

CHILE

NEW CATHOLIC STUDENT LEADER ON PROGRAM

PY080120 Santiago EL MERCURIO in Spanish 27 Apr 85 p C3

[Excerpt] Federation of Catholic University Students [FEUC] President-elect Tomas Jocelyn-Holt has stated that one of the first steps that the new executive board will take is to convene a "students plenum" to discuss amendments to the FEUC statutes and several demands to the authorities on questions including educational costs, discipline, and joint activities.

In addition, Jocelyn-Holt reported that contacts will be made with the National Workers Command and the multiunion [multigrmial] organizations, besides joining the Confederation of Chilean Students.

Regarding the church, Jocelyn-Holt stated that "we hope for a greater presence of the church and for the university to be more faithful to the word of the bishops, setting up a university pastoral mission." In his opinion, "the obstacles that the church has found inside its own university must be removed."

The "B" ticket, led by Jocelyn-Holt, got 57.1 percent of the votes, while the "A" ticket got 39.5 percent of the votes.

The winning ticket is made up of Tomas Jocelyn-Holt, a law student and a member of the Christian Democrats; Esteban Valenzuela, a journalism student representing the Socialist Bloc, who was chosen vice president; and Eduardo Abarzua, a psychology student, regarded as "a leftwing independent," who was chosen as the new secretary general.

Jocelyn-Holt said that the outcome of the elections show the students' will "to count on a federation that channels their wishes of joint activities and democracy, championing the tenets of freedom and human dignity." He stated that the elections "have an important national significance, because they prove the possibility that the civilians may lead a peaceful and rational life."

Jocelyn-Holt stated that he will propose the creation of "commissions made up of the three estates of the university community, to participate in the preparation of the overall policies and plans of the university."

He added that they will also request the reinstatement of expelled students, the return to flexible tuitions, and a large number of grants.

He went on to say that the assets and properties will be formally transferred by the outgoing board within the next few days. Then they will meet with Rector Juan de Dios Vial, to whom they will submit their work schedule, and will also express their desire to maintain open communications.

CSO: 3348/658

COLOMBIA

BRIEFS

TERRITORIAL CREDIT INSTITUTE SEIZED--A total of 1,190 families seized control of the offices of the Colombian Institute of Territorial Credit this morning to protest its noncompliance with established rental rates. Adolfo Pena has more. [Begin recording] [Pena] The housing programs of the Colombian Institute of Territorial Credit have been the object of criticism for many years due to the poor quality of the units it builds and its noncompliance with established government programs. The case that attracted our attention today is that of the "Mochita-2" Project. A total of 1,190 families who paid for their apartments 2 years had to wait a very long time to receive them and when they did they were informed they had to pay much higher rental rates. Alfonso Torres, spokesman for the 1,190 families, tells us about the problem. [Torres] Two years after we paid the down payment we have received the second phase of the project and have been informed that payments have been increased 100 percent, from 1.35 million pesos to 2 million pesos. Public opinion will judge because not even private companies that are geared towards profits make such radical increases. We did not buy from private firms precisely because we feared that our monthly payments would be too high. [End recording] [Text] [Bogota Television Service in Spanish 1730 GMT 7 May 85 PA]

CSO: 3348/659

CUBA

WEAKNESSES IN JUCEPLAN, NATIONAL ECONOMY DETAILED

Havana BOHEMIA in Spanish No 13, 29 Mar 85 pp 8-17

[Interview with JUCEPLAN Chairman Humberto Perez by Rafael Calcines; date, time and place not given]

[Excerpts] On the occasion of the recently celebrated 25th anniversary of the formation of the Central Planning Board (JUCEPLAN), its chairman, Humberto Perez Gonzalez, who is also an alternate member of the Poliburo of the Communist Party of Cuba, granted an interview to the National News Agency (AIN). In that interview, he covered important aspects of the work that JUCEPLAN has done, and the present and future prospects of the national economy.

[Question] As JUCEPLAN reaches its 25th year, do you feel that the organization has completely fulfilled the objectives it was designed to meet, or do some aspects of its work still need to be strengthened?

[Answer] Undeniably, the immediate, logical response to that question, one which requires no further comment, is that the Central Planning Board has certainly not fully attained the goals for which it was created, and that some aspects of its work do indeed need to be strengthened.

But this seems to us a simplistic and routine response, since hardly any state institution could say after several years' work that it has fully met its obligations and it has no need to improve any aspect of its work. That is why I think that in this as in any other agency, the answer should be a little more detailed, more analytical. Especially in the case of the Central Planning Board, which is only completely justified in the context of a socialist system, or at least a socialist-oriented economy. Only under socialism does planning become an absolute necessity for directing economic activities on a national scale, and it is only under those circumstances that it is possible to make this objective a reality.

An agency that is assigned this task of planning is responding, as we said, to one of the fundamental laws of socialism. Without its actions, it would be impossible for the rest of the economic laws of this system to function, because they can only be enforced through the conscientious and planned actions of men: of the workers, of the leaders of the State, of the leaders and members of the Party, and in general, through the conscientious and planned

actions of the entire nation. Such an agency, therefore, has an extremely complex task, especially in a country such as ours that has inherited a deformed economic structure. Our economy is excessively dependent on foreign trade, over which we have only partial or comparatively little control. It is also dependent on a few export products which are vulnerable to climatic conditions, given that they are primarily agricultural products. Our country must face aggressive actions and the economic blockade by the most powerful capitalist power in the modern world, which is also our closest neighbor. Thus, our only political and economic and commercial partners, and therefore the only suppliers of the resources we must import, are 10,000 kilometers away. Our country has suffered a shortage, above all during the early years, of cadres skilled and experienced in the management of economic affairs.

Given these circumstances, it is undeniably difficult to lay down the fundamental guidelines for economic policy with dimensions that are appropriate for economic development and for the use of available, or supposedly available, resources.

Now, the Central Planning Board, as the entity assigned to carry out this task, has gone through various stages in its development, in its specific actions. It has undergone a number of modifications on the basis of the changes that have taken place in our economic development, the development of our productive forces and that of our cadres. These modifications have also been supported by the logical results of our constant learning throughout the revolutionary process, in which we have had to overcome previous errors, while at the same time continuing to make new mistakes which we must rectify or try to rectify.

The Board has made irrefutable advances at certain times during this process, although it may not have been successful in general or in all aspects. It has also regressed at times, and has later had to make up for lost time. Thus, it will be able to continue advancing and trying to improve its work, to contribute increasingly to the proper organization and orientation of our economy, and to put into practice the directives and guidelines that the upper echelons of the Party and the government issue in this regard.

At this time, when our country has been going through what Comrade Fidel has rightly called a "revolution in the economy" since the end of last year, the far-reaching economic role of the Planning Board has brought it face to face with its responsibilities in areas where we have not been doing our job properly. It has also forced the Board to review the work it has done in the past. The Party, in a critical and self-analytical spirit, as befits all revolutionaries. It must do so in order to determine what errors it has committed and to examine the best ways to rectify them. In concert with the rest of the government and the Party leadership, it must improve its role in the process of planning the national economy, of guiding the economy, of controlling economic activity. Then it must adjust its structures, procedures and methods, and change the mentality of those of us who work in this agency to the extent necessary. We must then carry out our duties, which necessarily entail a long and arduous task in this economic revolution.

If we look at the work we have done in the years since the 1st Congress, however, we reach the inescapable conclusion that we have not done a good enough job; there are areas where we have not come as far as we should have in 25 years, and we have weaknesses and deficiencies that we should not have after a quarter century of work. Some defects were already pinpointed the first years of the Central Planning Board's work, but we still have not been able to eliminate them.

There are weaknesses in the overall aspect of planning. Thus, for example, we have not yet been able to draw up a comprehensive finance plan in conjunction with the Finance Committee and the National Bank; there are deficiencies in the drafting and supervision of materials reports, and in the planning of the different categories and indicators of the Plan, especially in financial matters such as cost, earnings and profits.

We are still failing to meet our responsibilities in terms of the drafting and execution of the investment plan, for example in the area of the investments we include in the plans, which sometimes exceed the country's construction capacity. This means that too many construction projects are started and cannot be finished in a timely manner. Moreover, there is no integrated investment planning.

As far as territorial planning is concerned, although progress has been made, it is still not enough.

There are also insufficiencies with regard to planning in the different branches.

Although we have made significant progress in the implementation of the Economic Management System, we have not paid enough attention to improving and constantly updating its mechanisms to adapt to the dynamics of development and to the country's conditions.

Perhaps one of the most obvious deficiencies in our work is the fact that we have not managed to involve the other agencies, the officials responsible for the economy at different levels, and the workers' collectives in drawing up our economic plans. Even though one way or another all agencies and all Peoples Government Organizations and enterprises have been participating in creasingly in this process, in fact this participation has been formal, to a large degree, because of the system under which we have worked. We have been unable to achieve sufficient collective participation in these planning efforts over the years.

As for the economic policy that our Party leaders and our government have pursued, as set forth in the central reports to the 1st and 2nd Party Congresses and in other speeches by Comrade Fidel, it is clear that the fundamental goals that have been given top priority were established long ago: emphasize exports, ensure compliance with those goals, replace imports, devote our efforts to the country's economic development, achieve greater efficiency in our economy, draft and execute economic plans that serve the interests of the entire country, and so on. But this economic policy has been

have not been adequately reflected in our plans, first when they were drawn up and second when they were executed.

It is not that we have not moved in the right direction; we have, but not far enough, not at the right pace and not in the best way in every case. Naturally, the Central Planning Board, because of its far-reaching role in economic activity, has a primary responsibility for all of these problems.

To correct what we have been doing wrong or ineffectively in our economic activities in general, Comrade Fidel has laid down specific guidelines, calling upon all of us to carry out a true "revolution in the economy" and to do our work in a new way. This will enable us to put into practice the economic policy that has been set forth and the priorities that have been established, and to achieve better quality in carrying out our plans through the real and effective participation of all agencies and all levels of leadership. Thus, the plan will not be one imposed by the Central Planning Board, but the government's plan, everyone's plan, the plan of the entire nation.

We began using this new style of work at the end of last year when we revised the plan for 1985, and we are trying to put it into practice in drawing up the plan for 1986 and for the upcoming 5-year period of 1986-1990. For this purpose, following Comrade Fidel's guidelines, we have created a Central Group, as he reported in his conclusions at the Final Session of the National Assembly at the end of last year. The group is made up of the vice-presidents of the Council of Ministers, all the agencies of the Central State Administration, and guest consultants such as the chiefs of departments of the Party Central Committee and the principal leaders of the Central Organization of Cuban Trade Unions (CTC) and the National Association of Small Farmers (ANAP), as well as the Provincial Organs of the Peoples Government.

The Central Planning Board, as part of this Central Group, and in pursuit of its specific tasks, is working in conjunction with all the other organizations to contribute as much as possible to this revolution in the economy. It is aware of its own role and of the attitude it must assume in playing that role.

All the steps that are being taken in the country at this time will ensure that the proposed economic policy will be carried out by means of the plans as soon as they are drawn up, and later as they are executed. In this way, we can be sure of the best quality of planning, which is such a vital task in a Socialist Revolution.

In this economic revolution, it would be inconceivable for the Central Planning Board not to be in the vanguard, considering that we are the agency with the most responsibility for economic matters in the country. We must also bear in mind that this is taking place in the year of the 3rd Congress of our Party, the year when our organization celebrates its 25th anniversary. We who work at the Central Planning Board feel an obligation, a revolutionary duty to do everything that is within our power to improve the quality of economic activity and the quality of planning, including the work of the Board.

In conclusion, to wrap up my answer to your question, I feel that, looking at the 25 years of the Central Planning Board's work, despite all the flaws and deficiencies that have characterized our work and still need to be overcome, this organization has basically fulfilled the role it was designed to play. We should note the work that many comrades have done over the years in their association with this agency at one time or another. We should recall with admiration and respect those who began this work, because they undoubtedly faced the greatest difficulties and obstacles, and they had the least experience and the least qualified cadres and workers. Today our agency has the experience of many years' work, and its cadres are highly skilled, although it is still not enough, and not what we aspire to. I do not want to conclude my answer to this question before reiterating my personal acknowledgement--after having worked at the head of the Board these last few years and having learned how complicated and complex its work is and how much it demands of all the comrades who work here--of the sacrifice, devotion, selflessness and revolutionary spirit of all those who have contributed to the work of this organization. I would particularly like to commend a group of comrades who are working at the board today and who helped found it, as well as many other comrades who have been working for our organization 15, 20 or more years.

[Question] It is often said, and many figures back up this assertion, that our economy is better organized than ever, that it is more efficient than ever, that productivity and other major indicators are better than ever; but it is also pointed out that the results are not yet what we want. What deficiencies still plague our economy, and what measures are going to be taken to eliminate them?

[Answer] It is true that in recent years progress has been made in the organization of our economy, on the basis of the agreements reached at the 1st Party Congress, to improve the mechanisms of economic management. We have also increasingly improved the economic efficiency of our work and the utilization of our productive resources, even though we have had to cope with very adverse conditions arising out of the world economic crisis that began in the capitalist system. Throughout this crisis, we have also faced low prices for our principal export, with the presence of blights, diseases and unfavorable climatic conditions in some years as well, all of which have affected our primary areas of production. Moreover, we have been in a situation in which defense has moved to the forefront, forcing us to divert human and material resources, as well as financial ones, to this sector.

Suffice it to note, however, as Comrade Fidel has already stated publicly, that in these first 4 years of the current 5-year period, the average annual growth of our economy has been 8 percent. Our population has been consuming increasing amounts of food, to reach an average of 3,000 calories per capita per day and some 80 grams of protein per day. We must also point to progress in the consumption of industrial goods and home appliances, and extraordinary advances in public health, education, and so on.

As for efficiency, the productivity of labor has grown at an average rate of nearly 4 percent a year in the 9 years that have passed since the 1st Congress, such that 60 percent of the total increase in production can be attributed to the increase in productivity. In this context, we should note that

whereas in 1976 153,000 cane cutters were used to harvest 6.1 million tons of sugar, in the 1984 harvest only about 67,000 cutters were needed to produce 8 million tons. Significant advances have also been made in the conservation of material resources, especially in recent years. Thus, for example, between 1980 and 1984 the economy has grown as we indicated, at a rate of nearly 8 percent a year, but the generation of electricity has risen by only 5.5 percent, and fuel consumption has grown at a rate of 1.6 percent a year. It has been repeated many times that practically no petroleum is used in the industrial production of raw sugar today, while a few short years ago more than 400,000 tons were consumed each year. The petroleum consumed per kilowatt-hour of electricity generated in the nation's power plants has declined; the consumption of petroleum per ton of cement has fallen considerably. In other words, for every peso in overall production in 1984, the country consumed 15 percent less energy than in 1975.

In other areas, the simplification of projects and other technical-organizational measures have enabled us to cut the consumption of material resources for every million pesos in construction, lumber, steel bars, etc. In the agriculture and livestock sector, yields per hectare have been on the rise, in potato and rice production, for example; the milk yield per cow has risen from 4.4 liters in 1975 to 6.1 liters in 1984; the average weight per head of cattle at slaughter has gone from 324 kilos in 1975 to 336 kilos in 1984; in the pork sector, there has been an average annual growth of 12 percent in the production of liquid feed; reproductive efficiency has improved, rising from 823 kilos of meat for each breeder in 1975 to 1,246 kilos in 1984; and in poultry production, the ratio of meat to feed has increased, as has that of egg production to feed, and hens are laying more eggs and weighing more at slaughter, and so on.

There are material resources savings in paint production and in various import substitutes. The volume of raw materials recovery has more than tripled between 1976 and 1984, from about 20 million to more than 60 million. Whereas in 1980 a total of 123 million spare parts were manufactured, in 1984 that figure rose to more than 260 million, for an average annual growth rate of 17 percent; in 1982, 68 million spare parts were recovered, and in 1984 that total was about 170 million, for an average annual growth rate of more than 50 percent.

Nevertheless, despite the achievements we made, the results are not yet what we can, should and must attain. As for economic efficiency, material resources conservation, energy savings, investment efficiency, the use of installed capacity in industry, higher agricultural yields, the reduction of costs per peso of production, the increased profitability of our enterprises, the increased productivity of labor, and the reduction of still bloated payrolls, we still have farther to go than we have come so far, I would say.

Furthermore, we have not placed enough emphasis on the economic priorities that were set forth in the economic policy outlined by the higher organisms of the Party and the government, especially with regard to exports and import substitution.

Our mechanisms for planning, circulation, transportation and pricing are deficient. The mechanisms of our investment process are also deficient, and we have problems with our mechanisms for supply. In general, all the mechanisms of the Economic Management and Planning system have been given inadequate attention after their initial implementation, and thus have not been improved or adjusted constantly to the development and changing conditions of our country. On the other hand, partly in connection with the mechanisms we have been using and their insufficiency, our plans are still very subjective and are not coordinated properly. We must confront that problem and solve it.

Moreover, we have not had enough discipline and have not demanded enough administrative responsibility at the various levels of economic work. We have also lacked an adequate system to oversee the national economic plan at all levels, including the government, the Board, the ministries, the organs of the Peoples Government and the enterprises. We must give this matter top priority, as we have already begun to do this year. The implementation of the plan and its supervision are an essential task for all organizations of the state, the Party and the government as a whole.

With regard to the mechanisms for stimulation and orientation, we must step up efforts to provide material and moral incentives, but above all it is necessary to determine in what direction we should orient these mechanisms as a whole in order to achieve the desired effects in the economic policy that has been set forth. It is a matter not only of achieving efficiency in general, but also of enhancing efficiency with respect to what we want in the first place; in this case, it is external development factors. In other words, the Economic Management and Planning System must be selective in terms of its objectives, but comprehensive with regard to the utilization of the different mechanisms to achieve the selected objectives.

At this time we are working through various means to complete the measures we must take to overcome these difficulties, quickly but calmly and carefully. Several groups created for this purpose are working on the different elements that make up the Economic Management and Planning system to determine their deficiencies and the changes that are needed. At the same time, to support the final conclusions, a verification procedure is taking place, beginning with the enterprises and including the municipal and provincial levels, eventually ending up with a National Plenum that will examine the opinions gathered at the lower levels concerning the deficiencies in the mechanisms for orienting and managing the economy. They will then be examined in the Central Group that has been formed, as mentioned by Comrade Fidel in his speech before the National Assembly at the end of last year. Finally, the fundamental aspects of this study and analysis will be used to draw up some documents containing the conclusions and basic guidelines, which will be presented to our 3rd Party Congress for its consideration.

[Question] The country's economic strategy is aimed increasingly at expanding and strengthening our exports, but in 1984 the three basic export sectors (sugar, nickel and citrus fruits) did not meet their quotas. Why not?

[Answer] The failure to meet the quotas of the three basic export groups (sugar, nickel and citrus fruits) in 1984 is due to a variety of factors.

Some of these are very strong objective factors, but there are also the subjective factors we mentioned before, concerning the negative trends that we have been observing in the management of our economic activity and the fact that the necessary priority is not given to these exports when it comes time to invest.

With regard to sugar, a fundamental aspect that explains the low production is the weather conditions we have had in the past years, with abnormal rains and droughts that have hindered cane and sugar production. In the first 2 years of the 5-year period, the 1981 and 1982 harvests, the plan was 100 percent completed. Now, in the last two harvests, very adverse weather conditions have undeniably prolonged harvesting time beyond what is advisable. There has been a substantial decline in the amount of sugar in the sugarcane, or the so-called "pol" of the cane, and consequently sugar yields have fallen below initial plans. Moreover, there has been less cane available than the 5-year plan envisioned for these two harvests. In the last harvest, 30 percent of the shortfall was due to the fact that there was less cane available than planned, and 70 percent was due to the drop in industrial yields.

In addition, however, there have been shortfalls in the planting schedules called for in the 5-year plan, which means that less land was planted in cane than was originally planned. Furthermore, irrigation has not been extended to as much land as planned, industrial capacity has been below planned levels, and industrial recovery is also low.

As for citrus fruits, the objective factor of a prolonged drought from the end of 1983 throughout 1984 also played a role, causing the fruit to be low in weight. Some areas even lost fruit altogether. High temperatures also affected the grapefruit blossoms, but at the same time there has been a certain amount of neglect for this sector, which should have been given priority. Thus, for example, the area of land under irrigation is not as large as planned because field equipment has not been delivered; there has been a shortfall in the amount of nitrogen fertilizer called for in the plan; and grass was allowed to encroach in the orchards for too long, which kept plant growth and production down.

With regard to nickel, the failure to meet quotas in the Nicaro and Moa plants was caused primarily by the poor technical conditions in these plants, which in turn are attributable to insufficient maintenance and repair of old equipment inherited from the capitalist era. These are objective factors, but there are also subjective factors involved. In addition, work has been deficient in the operation and maintenance of the plants, due to the instability of the workforce and to delays in the implementation of some aspects of the program to revamp the plants, delays in contracts for some supplies, and other problems. As in the other factors, these problems stem from the lack of necessary resources to carry out maintenance and repairs. However, there has also undeniably been a failure to assign the necessary priority to this sector, since it is export-oriented and therefore can generate the foreign exchange (both from the socialist block and from hard-currency countries) that the country needs for its development and to meet the standard of living objectives we have set forth.

[Question] In 1984, sales on the parallel market grew much faster than called for in the plan, exceeding it by more than 100 percent. How can such a tremendous jump be explained? How did sales perform on the free and regulated markets? Were those results positive?

[Answer] Well, we have not said that sales on the parallel market grew by more than 100 percent in 1984. What we really said is that while a growth rate of 20 percent over the 1983 total was expected, in practice this growth rate was approximately 44 percent, although in the case of industrial products the growth did indeed almost double the 1983 figure.

Actually, the plan for sales in the specialized network of the parallel market was exceeded by 16 percent overall, and within that figure, industrial products exceeded the plan by 28 percent.

One purely methodological element partially explains the surpassing of the plan: the fact that part of the sales in the parallel market of the specialized network are recorded under actual sales but were not envisioned in the plan because they are not plannable. Moreover, we did not have enough statistical precedents to be able to formulate an estimate. We are referring to the fruit obtained by the Select Fruit Enterprise directly from private farmers and cooperatives. These purchases were not included in the planned figure, but they do appear in the actual sales figures that were recorded at the end of the year.

Similarly, the plan did not call for a given quantity of industrial products with a relatively important weight. This was true of the underwear and clothing, for example, that are acquired by exchange or barter among the Domestic Trade Ministries of the CEMA member countries, and through other transactions by the Cuban Domestic Trade Ministry aimed at obtaining supplies not previously planned. In addition, the financial resources originally earmarked for shoes brought in a larger number than predicted.

In some products such as rice and coffee, which represent nearly 35 percent of sales, the plan was exceeded significantly in terms of purchases for the parallel market; the same thing happened with beans. Approximately 20 percent of all retail sales took place on the parallel market.

We should undoubtedly consider as positive the results obtained through the expansion of the parallel market, considering that at the same time there have been increases in commerce in general, both through retail trade and through the public food network. This has raised overall consumption by the public in 1984 by more than 2 percent, in constant prices, compared to the 1983 level.

The Revolutionary Government's policy in this regard has been explained thoroughly by Comrade Fidel on more than one occasion, concerning the appropriateness of the existence and development of this parallel market, which should have no effect on the products allocated to the regulated and free markets, because of its orientation.

In other words, our population is assured of the basic goods that it needs, so that even low-income families can meet their needs for food and industrial goods adequately. At the same time, however, the parallel market provides additional supplies of many of these products that are obtained simultaneously on the regulated market. This is why we speak of the parallel market, and of other products that are only available on the parallel market because they are produced in very small quantities and it would be impossible to distribute them to the entire population, or because they have a high cost in foreign exchange but it is felt that a minimum supply should be available to the public at one time or another.

The parallel market offers these products to the population in addition to other products, and otherwise they would have no access to them. Moreover, this market helps put into practice the concept of distributing goods according to work, so that those workers who earn more because they are more skilled or work harder on the job or do jobs that require more physical effort, and therefore are better paid, can also spend this additional income on a market of their own.

It also enables even middle-income or low-income families, perhaps not systematically but periodically, every once in a while, to purchase some of these products, and thus celebrate some family occasion, etc., without being confined to the supplies available on the regulated market.

This parallel market mechanism, being linked to the practical implementation of the distribution according to work, is also a means of stimulating greater labor productivity, encouraging workers to acquire more skills, and certainly of boosting production. This is true because the more effort the workers make, the more they are paid, and their greater income can in turn be spent on higher quality goods, or additional goods that could not be found on the regulated market.

For all these reasons, the increase that has been observed and that we will try to sustain on the parallel market, is a positive element in the development of economic activities, in the growth of production, and certainly in the more adequate satisfaction of our people's needs.

Naturally, prices cannot be fixed on this market; they must be linked to supply and demand. In other words, the prices will be lower for goods for which supply is large and demand is small, and prices will be higher for goods for which supply is small and demand is very high. Thus, an economic regulator rather than an administrative one can govern sales on this market.

[Question] In our country, we plan ahead to the year 2000, which is not very far off, only 15 years away. In your opinion, what will Cuba be like in 2000?

[Answer] First of all, I would like to remind you that in an interview I gave in 1979, a similar question was asked about the prospective plan, and I explained that we are not involved in planning for the year 2000, but rather until the year 2000. There is a great difference between these two phrases, and since we are not planning now what we are going to do in 2000, but rather formulating a plan that lays down what we must begin to do now in order to

achieve certain goals that will take 15 to 20 years, it is not easy for me to answer your question by telling you what Cuba will be like in the year 2000.

Long-term planning is necessary because any major investment takes several years, from the moment it is initially decided to the moment it is put into practice. Sometimes this takes 10 years or more, as in the case of a nuclear power plant, a steel mill, and so on. In order to achieve our objectives for the next 15 or 20 years, we must decide what we will invest in now, what guidance we should give our youths now when they are choosing their majors in the university, so that we will have the skilled manpower we need in the right fields at the right time. On the other hand, to coordinate our plans with those of the other socialist countries, we also need to have long-term planning, which gives the 5-year plans more objectivity and feasibility. Naturally, the annual plans fit into this scheme as well.

We have been working on this long-term plan since the last 5-year period, since the end of the 1976-1980 period. During the present 5-year period, we have stepped up our work in conjunction with the other socialist countries, particularly the Soviet Union. In the first years of this 5-year period, we had already drawn up an initial draft plan for the years up to 2000, which served as a basis and a point of departure for beginning the detailed formulation of the next 5-year plan, for 1986-1990. At this time, as Fidel explained, we are working on the final draft of the next 5-year plan, and on the prospective plan for 2000. At the same time, we have been working on coordinating our development strategy for this long-term period with those of the other socialist countries, so that they can all work in harmony.

As you know, at the recent CEMA meeting in Havana an Economic and Scientific-Technical Cooperation Program through the year 2000 was signed by Cuba and the Soviet Union. Similar programs with other socialist countries that belong to CEMA are in the final stages of preparation. This will undoubtedly give our economic development plans greater stability, because in this way we will be able to determine now what it is we want and think we can do by the year 2000. We can also determine how, in general, other socialist countries can cooperate with us to attain our desired objectives.

8926

CSO: 3248/327

24 May 1985

DOMINICA

CHARLES DISCUSSES CURRENT ISSUES, GRENADA INCIDENT

Bridgetown BARBADOS ADVOCATE in English 29 Mar 85 p 3

[Separate stories arising out of an interview with Dominica Prime Minister Eugenia Charles by the BARBADOS ADVOCATE in Bridgetown 27 March 1985; stories by Patrick Hoyos]

[Text]

DOMINICA's Prime Minister Miss Eugenia Charles, says she is confident that her Freedom Party will win the island's next general election, due by October 23 this year.

In an exclusive interview with the Barbados Advocate on Wednesday shortly after addressing the annual general meeting of the Barbados Employers' Confederation, Miss Charles said, "I don't think it will be a walk-over ... We're going to have to campaign hard and fight hard, but I think we'll win. But we'll have to go out and continue the campaign until the last minute."

However, Miss Charles hinted that she would present her budget before calling elections. Work on the budget started in February and must be ready for final Cabinet review by the end of May. It is scheduled to be presented on July 1, she said.

Miss Charles said that Dominica had been in a position to have a balanced budget this time around, but the storm which hit the island last November had caused nearly EC\$20 million in damage to the country's infrastructure.

"We have to see what we are going to cut out (of the budget) now," she said, because the storm had wrecked a lot of the Government's plans. The total expenditure for the coming fiscal year will be about EC\$73 million, she said.

Miss Charles said that Dominica is a very poor nation, although "the

World Bank says that we don't deserve the assistance (given to) the very poor anymore."

International lending organisations, she said, only classify a nation as poor if they have "pot-bellied children, undernourished (to the point) where malnutrition sets in." Dominica does not have those problems, because "We are a very fertile country and nobody can really starve, although they mightn't have the Queen's diet," said Miss Charles.

But she does not agree with these organisations. "I know we are poor; I can feel it," she said, pointing out that as long as a country like Dominica can't decide to build even a public convenience in a village without "scratching your head and wondering where the money is coming from, then you are poor."

Miss Charles put the unemployment figure in Dominica at 13 per cent, qualifying it by saying "I mean 13 per cent of the employable people." Although the statistics show that the rate is 21 per cent, Miss Charles claimed that through a scheme similar to Barbados' National Insurance Scheme, the Government has estimated that the figure is closer to 13 per cent.

"A lot of people are also self-employed, she said, as a result of the Government's skills training policy." But while she concedes there is still unemployment, especially among young people and women, she says that "There

are a lot more people working (in Dominica) than there used to be in the past."

Miss Charles said she would like another five years in power "because we have really begun putting things in place, and if we are given another five, we would so establish good government that the people of Dominica would never want bad government again. But five years is too little to wipe out all the things that were wrong before."

As for administration's record on health and education services, Miss Charles said that great strides had been made, with EC\$12 million being spent on "putting educational facilities back in place," after Hurricanes David and Allen. Eighteen new schools have also been built and 26 repaired, she said. Her Government has also changed the emphasis on education to include more skills training, so that when people come out of school they will not only know how to read and write "and the Wars of the Roses," but also be skilled in plumbing and carpentry.

She said Dominica was still paying back the International Monetary Fund (IMF) its loan of EC\$31 million, which she borrowed at the start of her administration: \$11 million was used to pay off debts owed in back pay to civil servants, and \$20 million for various capital projects. "I would have crumbled if I had not got that loan," she said.

On Tom Adams

"He was very knowledgeable. He was very sympathetic, and you felt you were talking to a real friend. Here was someone who was prepared to listen and was prepared to add his wisdom, who was prepared to come in and give of what he knew. We drew a lot of strength from him.

"And it couldn't have been easy for him, because Barbados was not part of the OECS, and yet he had to make a decision that he had to defend his country. It happened that all Barbadians agreed with him."

On Regional Defence

Miss Charles said that the concept of a regional defence force, also referred to as a Regional Security System (RSS) was "not fading away", as had been reported recently in the press. "We never decided completely on it," she said.

Efforts to work together on aspects of regional security were already under way at the time of the Grenada crisis, said Miss Charles, pointing to co-operation in Coast Guard services as an example. After Grenada the idea of a standing army was mooted, she said, but there was "disagreement about it from the start.

"I think even Mr. Adams realised there was no great support for it," she said, noting that the major obstacle to setting up a standing army was its cost.

Miss Charles said that the informal central unit, located in Barbados Defence Force Headquarters, can help to mobilise personnel from around the region in the event of a disaster or other crisis. Officers in the unit know exactly who to contact in the various countries, what resources are available, and so on.

This level of regional co-operation in defence did not exist before Grenada, she said, but instead of taking it fur-

ther, "We will let it ride for a time," she said.

As for Dominica's local defences, Miss Charles said that having got rid of the army "because they were disloyal to the country," the nation now relies on its 350-strong police force, 80 of whose members comprise the Special Services Unit. These policemen have received special training, and should be able to withstand a first onslaught until help comes in from outside. These people also carry out normal policing duties, and go out with the drug squad to dispose of marijuana.

"We could never have a sufficiently large police force to withstand an invasion. Instead you have to get your people alert and motivated enough so that any time they see something odd happening they report it," she said, pointing out that should any such attack occur, she believed the ordinary citizens would themselves fight the invaders.

She said Dominica has no military weapons, but that "some of the guns we have came from the Boer War (fought in the 1890s). And far from armoured cars, Miss Charles said, Dominica cannot even afford to give a jeep to every police station.

On President Reagan

I left Barbados on the day before the invasion, and all the way I felt somebody was going to have to pressurize the US State Department (to take action). When I got to Dominica I called the embassy in Barbados from the airport and said: "You have a jet plane there. I'd like a lift on it to Washington. They said: Fine, we'll fix it for you." I made my own arrangements with the French and got a plane to Guadeloupe. But it wasn't until we had left Miami (where the plane stopped to refuel) that Ambassador McNeil told me that they had decided to go in at 3 o'clock the

next morning (Tuesday, October 25, 1983).

"I didn't think I'd see Reagan, but the State Department said they had made an appointment for me. I found him very easy to talk to and very receptive. One of the things I'll always remember about him is that, when he was going to talk to (Tip O'Neil and the other congressional leaders) before the press conference (announcing the invasion), he said: "Would you come on in to the press conference at 9 o'clock?"

I said yes, so then they showed me the speech he was going to make. And you know, it's amazing,

but I took it up and I said 'Oh, you can't say that,' and I just kept crossing things out, I didn't even think of him as being the person in charge of the most powerful country in the world.

"Then he said to Kenneth Dam: 'See that the Prime Minister has breakfast.' Dam said, 'Oh yes, Mr. President, and I'll brief her while she has breakfast.'" He turned and said, "You won't brief her, she'll brief you, she knows more about it than you do." To me that sets the tone of the kind of person he was. He didn't think he was the Almighty God that knows everything."

On Criticism Over Grenada

"I was so sure I was right. It's not that I don't listen to criticism. I do. To me there was no other way: If we hadn't done it, we would have been underfoot. (The leftists) would have taken over.

"We felt this coming from before. We could hear from the talk of the leftist in Dominica that they expected something to happen in which the Government of Dominica would no longer be the Government of Dominica. It could only

have meant a takeover.

"There was a buoyancy — they had been very curbed by the results of the election (three years earlier) which showed that they had no popularity. The man (General) Austin had been to Dominica with Bishop and wouldn't let a fly past his head (and) he certainly didn't stop Bishop being killed. What would he have done to me? And he (Austin) had been such a great admirer of Bishop before."

On Dominica Exports

Dominica's main exports are bananas, coconuts, grapefruits, vegetable, oil, and soap, said Miss Charles. "The British have helped us to try to diversify our crops," with emphasis on mangoes and citrus fruit.

Dominica also has a

firm making drugs for the US market, a Neal and Massey factory making jockey shorts, and a company assembling fridges and stoves, said the Prime Minister.

The country also has a smoking industry, which

"to us is a very important one, because it is a cottage industry. I'd like to have many more of those, where people are partly-employed, and can earn money that way as well as in big factories. I'm very keen on that."

Duty Free Status on Goods by May Likely

Dominica's Prime Minister Eugenia Charles said on Wednesday that her country should by May 1 this year be in a position to give duty free status to most of the categories of goods identified at the CARICOM heads of government meeting last July.

Miss Charles spoke to the Barbados Advocate after addressing the Barbados Employer's Confederation's AGM.

She said her Government had intended to bring the list on stream by the first of January, but the storm which hit Dominica last November, causing EC\$20 million in damage to infrastructure, had held up the matter. The new arrangement would take away the duties on some CARICOM goods which had been exempted from duty free status.

"We want to put it into effect," she said, "But we

want to see what compensating things we have to do for it, (because) it means we would lose money as a Government." She said her Government had been fighting to ensure that the cost of living did not rise by more than 2.5 per cent per year, and this was why the list had to be given careful scrutiny. She could not estimate how much money the Dominica Government stood to lose in revenue by expanding the list to include previously taxed CARICOM products.

In addition to allowing in more CARICOM goods duty-free, the new arrangement would require that goods available within CARICOM be given preference over the same goods from foreign sources. "Where there is a CARICOM-made good we would buy it in preference to any other good," she said, pointing out that in some cases,

Dominica had to make sure that certain specific goods not available in the region would still be available in Dominica.

St. Kitts and Barbados have already agreed on the new list, but Antigua, Dominica and St. Lucy are still looking at it, she said. She added St. Vincent had asked for an even longer time to ratify it, since they have just changed governments.

"It has taken a little bit longer than we expected, and sometimes I think it has earned the suspicion of the businessmen in Trinidad as to whether we intend to do it, but, you know, I don't think Trinidad appreciates that in a small country there are few people to do these things," and due to the recent storm, local problems took priority, the Dominica Prime Minister said.

Miss Charles said that Dominica's budget will be presented July 1, and will be about EC\$73 million.

On Dominica's Road

The Prime Minister said that World Bank IDA funds have been used to build three roads, one on the east coast, and on the west coast, and the Granville road in the south.

Canada is funding a road from Melville Hall Airport to Portsmouth, while the United States is building one from Roseau to the same area. The EDC is funding yet another road, in the middle of the island. A total of EC\$95 million is being spent on these roads.

While the money from the US and Canada are in the form of grants, the other funds are loans, which have to be repaid at a 2.5 per cent interest rate, after a five-year moratorium.

The roads built with IDA funds will be completed this month, while the one funded by the Canadians is three quarters finished, she said.

On Rastafarians

"We still have Rastafarians (in Dominica) but I've always made the point that all Rastafarians are not violent people, or terrorists. There were people who invaded the Rastafarian movement, wearing the same hairstyle, adopting the same eating habits, and probably talking the same, but they were terrorists.

"The real Rastafarians is till doing his farming, and going along in life. They like their marijuana, but so long as they're not selling it and they are in the hills smoking by themselves, I'm not going to kill myself over it. I just don't want it pervading the whole society."

CSO: 3298/603

DOMINICA

CIVIL SERVANTS ISSUE WAGE ULTIMATUM TO GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 23 Apr 85 p 5

[Text]

ROSEAU, Mon., (Cana)—

THE Dominica Civil Service Association (CSA) said today it had given Government seven days to respond to its proposal for an average 47.5 per cent wage increase for its members.

CSA General Secretary Arthur Smith told reporters that Government was also being asked to propose a date for the immediate start of negotiations.

Smith gave no indication as to what action would be taken if Government does not meet the deadline.

The union, last January, submitted its proposal on behalf of an estimated 2,000 civil servants.

Smith said the CSA Executive Committee, at a meeting on Wednesday, unanimously decided that Government be allowed, up to Thursday, April 25, to submit its counter proposals.

SPECIAL MEETING

The CSA said it was hoped that Government's pay offer would be available for discussion at a special general meeting of the union on Friday.

Civil servants have received an annual ten per cent wage hike for the past three years, under an agreement reached between the Dominica Government and the International Monetary Fund (IMF) for a loan of \$37 million (EC) to the country.

The CSA, in a statement today, said its recommendation for a 47.5 per cent increase was needed, if only to off set the erosion of the purchasing power of the pay packets of Government employees caused by increases beyond that level in the cost of living during the period under review.

It said the Consumer Price Index, as issued by the Government Statistical Department, had risen 79.2 per cent since December, 1978.

The Association said that it was now six years since it last engaged Government at the bargaining table on the question of salary and wage increases.

The Dominica Government has already indicated that it wanted to keep salary increases to civil servants within a range which the country could absorb, but has given no indication as to what this is.

24 May 1985

ECUADOR

OPPOSITION LEADERS VOICE VIEWS ON MINIMUM WAGE

Guayaquil VISTAZO in Spanish 29 Mar 85 pp 11-12

[Text] The differences between the president of the republic and the National Congress on the subject of increasing the minimum wage has caused reactivation of the power struggle between the branches of government, culminating in the president's repudiation of specific acts of the National Congress and resolutions of the Court of Constitutional Guarantees, whose actions he has attacked precisely because of their unconstitutionality.

However, exactly what are the views of the opposition? What is the basis for its requesting a 51 percent increase in the minimum wage in spite of the economic crisis troubling the country? VISTAZO presents the arguments of some of the most representative voices of the opposition.

Leon Roldos Aguilera, constitutional vice president of Ecuador:

"In reality, the bill to increase the minimum wage to 8,500 sucres was not a sovereign decision of Ecuador but rather a part of the stabilization plan worked out between the national government and the mission of the International Monetary Fund. I hate to admit it; but if we look at it from a purely economic standpoint, the renegotiation of the foreign debt by the new government has been positive for the country and the conditions obtained were superior to those attained by the previous government. Of course, there have been changes in the great frame of reference--pressures on the Latin American countries have increased--and the International Monetary Fund has imposed its stabilization plan; however, in general, the renegotiation has been good.

"Getting back to wages, I expressed my opinion that the minimum wage should be increased to 8,500 sucres and then gradually raised in such a way that by June it would be at 10,000. But the idea was not accepted, and now the president has set the minimum wage at 10,000 beginning in January 1986, a position that is not too realistic because at this time we do not know what inflation will be like in December 1985.

"Summarily, I feel that in reality the discussion of wages was not the fundamental question. What they wanted to do was create a new power struggle and reflect the image of Febres Cordero once again being victorious over Congress, without considering the seriousness for the country of assuming such postures."

Edelberto Bonilla, deputy of the Socialist Party of Ecuador:

"The wage bill the president sent us is unconstitutional. According to the Constitution, the president can send us bills of an emergency nature when they deal with economic matters. But not when they deal with social matters having to do with labor. What is more, the bill was inopportune because he sent it after Congress had already approved the Wage Law, for the sole purpose of hampering our work."

Feraud Blum:

"The president of the republic is responding to interested parties from the business sector. And this is clearly demonstrated in his wage policy."

"This is true to such an extent that when Congress decided to raise the workers' minimum wage 51 percent, the president opposed the action. In spite of the fact that our financing is adequate and proper: consider the 9 billion sucres increase in the prices of fuels; consider the 3.4 billion rise in receipts from commercial transactions, without an increase in the tax rate--the tax rate remains 6 percent; however, it is undeniable that just as prices have risen, taxes have increased; and, finally, a tax was imposed which has to be paid by those who have benefited from the sucretization of the foreign debt--those privileged persons who pay 16 percent interest, while the rest of us Ecuadoreans are paying 23 percent, and who have a term of 7 years to pay their debts with nine 6-month grace periods during which they only pay interest. Those persons have a tax levied on them which is figured on the difference between the 16 percent interest rate prevailing during the 7 years in which repayment of the debt will be made. That is, a tax of 7 percent."

"The president of the republic warned that he was going to veto our law; and it is obvious that he would veto it because it touches the pocket-books of his supporters and friends. In the meantime, he sends a bill to increase wages to 8,500 sucres but with other sources of financing: one of them is similar to the source proposed by Congress as regards customs duties but another source was monetary devaluation, produced by an increase in the price of the petrodollar. That last-named measure is inflationary and unsuitable. Congress, of course, refused to approve this bill."

Fernando Larrea:

"In the relations between the president and Congress, I must call attention to an aspect of Febres Cordero's character: his authoritarian frame of mind. Febres Cordero has been unable to rise above his electoral campaign language and to replace it with the thoughtful language which as the president of the republic is obligated to use."

"In this regard, I think that the way he has treated the opposition has been tactless, mistaken and without the personal feeling which of necessity should exist in this sector in a democratic state in which we all want the government and the opposition to oppose acts they consider contrary to the interests of the state. That is one of Febres Cordero's negative points: he thinks the opposition is seditious and does not want to let him do his work. On the contrary: the experience of these 7 months of government favors the opposition in the sense that the latter has been characterized by its high patriotic and democratic spirit."

8143

CSO: 8148/1229

GRENADA

RICKEY SINGH HITS BOOK ON INVASION, U.S. HANDLING OF DOCUMENTS

Bridgetown DAILY NATION in English 4 Apr 85 p 7

[Article by Rickey Singh]

[Excerpts]

THEY call it **Grenada: The Untold Story**. It is supposed to be the "first book written with access to classified United States and Grenadian government documents" with a promise to provide readers with "shocking answers".

In actual terms, it is a public relation job for the American administration that led the United States invasion of Grenada on October 25, 1983.

For all their "access", they have produced nothing that can really be considered, objectively, as "shocking".

It is written by a career United States Foreign Service Officer, Gregory W. Sandford, who once served as "consular officer" (officially, anyway) at the United States Embassy in Barbados, and Richard Vigilante, described as a Washington-based journalist and television producer, who also writes for the **Wall Street Journal** and **Policy Review**.

Armed with Grenadian documents, made available to "American eyes" only — in addition to what the United States State Department and the United States Defence Department have considered necessary to share with "other eyes" — Sandford and Vigilante generously dedicate the book, for personal

reasons, to the memory of Lucky Bernard, the late deputy police commissioner of Grenada, described by them as "a Grenadian patriot".

The central theme of the book, for which the authors inform us, they "owe a deep debt of gratitude to the United States Department of State . . .", is to convince readers that Grenada, under the People's Revolutionary Government of Prime Minister Maurice Bishop, was "well on its way to becoming a Soviet puppet state in a strategically vital region of the Eastern Caribbean".

In this context, it represents an extension of previous official United States propaganda; in particular, the bulky **Grenada Documents: An Overview and Selection**, as released by the United States State Department and Department of Defence in September 1984.

The compilers of these "selected documents" — Michael Lodeen and Herbert Romerstein — had also set out to show that "Bishop and his colleagues not only wished to establish communism in Grenada, they wanted to be active members of the Soviet Empire . . .".

PROPAGANDA

The book should go down well with those who have a particular appetite for United States propaganda about "democracy"; readers who still feel that a super power should determine what's in the best interests of the Caribbean; or who do not mind being "educated", on the basis of highly selective documents.

about what the Grenada revolution was all about — before Bishop's execution.

As can be expected of such a book, it makes much of already well-orchestrated propaganda about "secret" military pacts between the PRG and the Soviet Union and its allies. And, typical of all such works, it is cast in the traditional mould of East-West conflict.

What it has to say about the "ultra-leftists" should hardly upset those who consider, rightly, that these elements stand guilty of the destruction of the Grenadian revolution.

George Schultz's condescending and capitalist-oriented view of Grenada as "a lovely piece of real estate" cannot, naturally, make an impact in a work designed to confirm to Ronald Reagan's claim that the United States got to the Isle of Spice "just in time" to prevent this Caribbean island from being lost to "democracy" as a "Soviet-Cuban colony".

Grenada: The Untold Story tried hard, too hard, to imply that the United States was responding to a "Caribbean initiative" in the invasion of Grenada.

Operation Urgent Fury Report, the heavily-censored document that has now been declassified and released by the United States Department of Defence, makes it abundantly clear that the Joint Chiefs of Staff order to "execute" plans for "Operation Fury" — the invasion of Grenada — was issued on October 22, and amended the following day" to include the CPF (Caribbean Peace-keeping Force) in the operation and the requirement to assist in the restoration of a democratic government on Grenada . . ."

IN PLACE

The United States military infrastructure was well in place before any "request" or "letter" from either Sir Paul Scoon or governments of the Eastern Caribbean. Ask Puerto Ricans in Puerto Rico.

In a book of an entirely different kind from that of Sandford and Vigilante — **The Grenada Intervention (Analysis and Documentation**, by William Gilmore — the legality of that invasion is roundly rejected.

Examining the invasion from the standpoint of international law and within the context of actions taken by the seven-member Organisation of Eastern Caribbean States (OECS) and by Governor General Scoon, Gilmore concludes:

"Even on an interpretation of the law most sympathetic to the legitimacy of the action taken by the United States and other participating states, serious reservations must be expressed as to the legality of their use of force in resolving the Grenada crisis . . ."

It is high time that Caribbean voices and that of Grenadian patriots in particular were heard on the propriety of the United States government appointing itself custodian of tons and thousands of feet of very important historical documents that rightly belong to the people of Grenada.

EXPLANATION NEEDED

If it is true that Sir Paul Scoon, the Queen's representative in St. George's, gave permission to the invading army of a United States president to take away the Grenadian documents, and even

personal papers and letters of members of the PRG, then he should be called upon by a now elected government in the Spice Isle to explain his reason or reasons for so doing.

Secondly, the new government in Grenada should then set about immediately requesting the United States to desist from its policy of selective viewing of these documents and to immediately return all to Grenada.

It is to be hoped that in this regard, at least one member of the Herbert Blaize administration, George Brizan, who has some professional claim to being a historian, would succeed where another Grenadian, Dr. Patrick Emmanuel of the Institute of Social and Economic Research (ISER) has failed.

As a member of the Interim Council in St. George's, Dr. Emmanuel, serving as foreign minister had, I gathered, sought unsuccessfully, on two occasions to have the Americans return the documents they carried away, along with the arms and ammunition, following the invasion.

Some day, when the euphoria about Reagan's "rescue mission" is overtaken by the harsh realities of social and economic problems in a Grenada without Maurice Bishop and his PRG, Grenadians may find how valuable it is to have a national archive of their own.

The American government can keep the seized arms and ammunition of the PRG and dispose of them.

But they must do what is honest and decent by returning all the Grenadian documents to Grenada.

GUYANA

PAPER SEES ELECTION FEARS BEHIND GOVERNMENT ATTACK ON GCC

Georgetown CATHOLIC STANDARD in English 24 Mar 85 p 2

[Editorial]

[Text]

THE DIRTY TRICKS played by the ruling party against the Guyana Council of Churches and individual Church leaders were surely not caused by a paper. There has to be another reason.

For a PNC Hindu parliamentarian to become a Christian overnight; for a Vice President who is a professed Muslim to suddenly revert to Christianity; for so-called 'Black Jews' to join with others coerced or attracted to attend a meeting and so become 'Concerned Christians', there must be a more radical reason.

Certainly, the unprecedented move to block the Council from holding its A.G.M. calls for a more serious reason than the party's fear that it would be criticised at the meeting.

The real reason for the panic is not hard to find.

Six of the leading Churches of the Council have written a letter to three prestigious international human rights organisations, inviting them to send a team to examine our electoral system.

By the ruling party this is seen as extremely threatening, since elections are the means by which the party has kept itself in power for 20 years with a two-thirds majority in Parliament.

What is more, the organisations have accepted the invitation and named for the team three highly competent persons: Lord Chitnis of the UK, an authority on electoral practices, Henry Forde, former Foreign Minister of Barbados and Orville Schell, former President of the New York Bar Association.

The Churchmen who have invited them to come are leaders of their Churches and highly respected members of our community - Bishop Randolph George (Anglican), Bishop Benedict Singh (Roman Catholic), Reverends George Richmond (Moravian), Oswald Best (Presbytery of Guyana) and Dale Bisnauth (Guyana Presbyterian).

What is most alarming for the PNC is that they have joined with six trade unions, representing the sugar and bauxite workers and the city clerical workers. Together these unions represent more than half the country's work force.

The Guyana Bar Association and Guyana Human Rights Association have also added their voices to the call.

The Government has already said it will give such a team no co-operation. It may even prevent the team from entering the country.

Nevertheless, as the elections draw near, the prospect of a largely united Church Council acting in solidarity with trade unions and other representatives of the majority of the Guyanese people, demanding free and fair elections, is indeed frightening to the PNC.

Hence the frantic attempts to split the Council, to obstruct its work, and to isolate and denigrate its members.

With God's help the Churches, we are sure, will be able to withstand all the arrows of the party's activists, who so suddenly claim to have seen the light and become 'Concerned Christians'.

CSO: 3298/606

GUYANA

COMMENT ON CHURCH-STATE RELATIONS CONTINUES

Church's 'Political Adventurism'

Georgetown SUNDAY CHRONICLE in English 24 Mar 85 p 11

[Text]

IN the context of Guyana today, it is unwise to generalise when referring to the Christian Church which could hardly be considered a cohesive body for each of its 15 or so denominations acts in accordance with its perception of its particular role.

Because of this absence of a common perception, it is evident that some denominations must adjust more than others if they are to fulfil a common role - that of looking after the spiritual needs of their members while helping in the building and consolidating of national unity and in the promoting of national development in a spirit of co-operation and an atmosphere of trust.

In all this, the Church in Guyana which has rarely been associated with change or served as the instrument through which change has been effected, can ill-afford to continue standing aloof as a bastion of conservatism in the midst of a great societal upheaval.

In short, if the Church does not adjust sufficiently to assume a new role in the present-day society, it will become less influential with its flock, and as the late Fr. William Guthrie a local Anglican Priest wrote 10 years ago if the church does not adapt to the realities of today, it will become "a cultural fossil."

It is a historical fact worthy of note that in the colonial era the church in this part of the world, was pre-eminently concerned with the maintenance of the status quo represented by the oppressive Capitalist colonialisers and all they stood for.

For example, it was almost impossible to separate the hierarchy of the Anglican Church from the ruling class. And, the Roman Catholic Church largely controlled the economic and social life of the country through the power and wealth of a small Portuguese group.

And, as the historians have pointed out, for its role during the colonial era, the Church was amply rewarded by the Colonial powers so that by the time there was an upsurge in nationalism and a start in the transfer of power from the hands of the Colonial masters, it had already become "powerful and rich."

But, today, the Church can ill-afford to remain so steeped in tradition and to cleave so rigidly to the preservation of the old order that it becomes blinded to, or attempts to stifle the dreams, the visions, and the aspirations of today's modern generation.

Developments in recent weeks have shown very clearly that the upsurge in nationalism and the revamping of the old order in the transforming of the society, has become a source of conflict between the Government, the elected representatives of the people, and some elements in the Church, those to whom, it is said, authority has been given by God and confirmed by the members.

Thus, in recent weeks, elements within the Church, some of whose wealth, power, and influence have been tapped, have among other things, rejected the Government's programme of nationalisation and have been advocating the apparently violent overthrow of the Government (bring down the mighty from their throne!).

The Government is yet to be spawned that would sit idly by and permit such rallying cries for treasonable activities.

It is in the context of all that has been happening in recent weeks that a statement issued last week by a group of persons calling themselves the "Concerned Christians" should be welcomed.

In that statement, the "Concerned Christians" called on all Christians to "unite, more firmly than ever before to resist efforts to use the Churches for wholly improper political purposes."

The statement should be welcomed because history has taught the world that the basis for stable State-Church relations lies in the fostering of national unity.

In this regard, the lessons to be learnt from the socialist countries are legion and important.

In Hungary, for example, national unity is considered "the greatest asset" and the State's and Church's trust for each other has reportedly strengthened significantly. And, those elements within the Church who have launched irresponsible campaigns to create confusion in State and Church relations "are becoming increasingly isolated."

As Imre Miklos, Chairman of Hungary's State Office for Church Affairs explained in a recent interview with a journalist, "Church leaders in Hungary have learnt that political adventurism is incompatible with the real interests of the Churches."

If they are to avoid their Churches having to be preserved as "cultural fossils" for the benefit of curious generations yet to come, those elements within the Church anxious to indulge in political adventurism, need to sit up and engage seriously in a bit of introspection.

Church as 'Agent of Imperialism'

Georgetown NEW NATION in English 24 Mar 85 p 4

[Editorial]

[Text]

It is common belief that the teachings of Christianity impose a moral duty on its adherents to make common cause with those who are waging the struggle for peace, freedom, economic and social justice.

In Guyana, the struggle being waged to create a society characterised by equality of opportunity and the absence of discrimination on the grounds of ethnicity, sex, political persuasion or religion, should (if this view is correct) have the active support of all Christians.

However, it would seem that a small group of Christians interprets this teaching in a different light. They see it as their moral duty to make common cause with the forces of reaction, reminiscent of the historic role of the Church of being numbered among the oppressors of the masses.

In Nicaragua, it is the hierarchy of the Catholic Church which makes common cause with the Contras. In Guyana, it is a small group in the Guyana Council of Churches who neither represents the majority opinion of the individual congregations nor the total Christian Community, which seeks to align the Church with the forces of reaction both within and outside of the country in an effort to thwart the struggle being waged by the Guyanese people to be the final arbiters of their own destiny.

Their latest ploy was the attempt to railroad the Annual General Meeting of the Guyana Council of Churches into agreeing to a programme of open opposition to the Government of Guyana and the Party which forms that Government, the People's National Congress.

To justify their actions these churchmen claim that unemployment, deterioration of public utilities, rampant inflation and the failure of large scale agriculture are all attributable to the programme of nationalisation undertaken by the Government.

It is common knowledge that the programme of nationalisation was intended to remove the major productive sectors from the clutches of the foreign companies who were exploiting these resources for their benefit rather than for the benefit of the people, and to place these in the hands of the people of Guyana.

Nationalisation was in keeping with one of the Objects of the Party, "To ensure that the people of Guyana own and control for their benefit, the natural resources of the country."

For that group to say that large-scale agriculture has failed is downright falsehood. Had it not been for the agriculture programme of this country, in no way could the people of this nation have food in abundance. Many persons left Government employment to become self-employed as farmers. These are perhaps the unemployed that this group of miscreants purporting to represent the Guyana Council of Churches, is talking about. Communication has never been better. There are better roads and road links, radio and telephone communication with people in every part of the country.

Everyone knows that nationalisation of our major industries struck at the very root of capitalism and imperialism in Guyana. For the wicked, conniving wolves in sheep's clothing to blame nationalisation for the nation's ills is for them to align themselves with those forces who want to return to Guyana to continue the rape of this country.

The behaviour of this band of Churchmen in Guyana, the hierarchy of the Catholic Church in Nicaragua, the leaders of the Reunification Church which proudly boasts of funding the Contras against the Government of Nicaragua, can only lead to the conclusion that they are agents of imperialism.

For the members of the Church in Guyana, there is a clear duty to let this band of miscreants know that they are firmly behind the struggle for human dignity, peace and Socialism which is being waged by the P.N.C. under the Leadership of Cde. L.F.S. Burnham.

GCC Motivations

Georgetown NEW NATION in English 24 Mar 85 p 5

[Article by P.H. Daly]

[Text]

"The role of the churches in the search for a solution to the national crisis" was the theme of a "Working Paper" prepared by the staff of the Guyana Council of Churches (GCC).

The Working Paper bore the authority of the GCC and it invited the close objective scrutiny and analysis of the group of Concerned Christians. After logical scrutiny and analysis of the Working Paper, the Concerned Christians did Guyana a national service by unmasking the political motives behind the paper which was prepared on the instructions of the GCC.

The confederacy between the paper and the GCC was revealed in language which had the combined qualities of elegance of diction and the blast of political exposure.

In unmasking the confederacy the Group of Concerned Christians stated, "having discussed the Working Paper we have found it to be tendentious, factually inaccurate and intellectually dishonest. Be it resolved that this gathering informs the Guyana Council of Churches that it finds the true objective for the issue of the Working Paper which is to bring down the government of the PNC to be abhorrent to all true Christians in Guyana and does not represent the views of the members of the church in Guyana.

"And be it further resolved that this gathering of Concerned Christians calls upon the Guyana Council of Churches to reject the document as being mischievous, misleading and wicked..."

The document could also have been described as a surfacing of the theocratic alliance between the church in Tsarist Russia and economic Tsardom which gave rise to the Great October Revolution during which the church paid for its confederacy with the enemies of the people.

In Tsarist Russia the church got the government it wanted and worked in confederacy with the government it had propped up in office. In like manner the Guyana Council of Churches, as indicated in the Working Paper, wants as a government a stooge regime to oppress the Guyanese people and to serve the interests of the neo-colonialists.

The fact that the unmasking of the political motives of a confederacy of so-called Christians has been done by a group of Concerned Christians is itself revolutionary counter-action and is indicative of what would be coming as it inevitably happened in Tsarist Russia where the Great October Revolution smashed the theocratic alliance between the political church there and the Tsarist stooge regime.

Refutation of GCC Points

Georgetown NEW NATION in English 24 Mar 85 p 8

[Text]

IN reading through the so-called 'crisis paper' prepared by staff of the Guyana Council of Churches and entitled "The role of the churches in the search for a solution to the national crisis," one is struck by the prejudice and lack of balance that pervades the whole document.

Indeed so unbalanced and prejudiced is this document against the People's National Congress that one is driven to the conclusion that politicians, not persons, were responsible for its conception and production. And since the document is critical of the Socialist policies of the P.N.C. Government its drafters apparently are strongly right-wing in their political orientation.

In section one of the document we read that "there is evidence in abundance that nationalisation on a wide scale brought about the collapse of the productive sector and a decline in living standards to their current level." Implied in this statement is that nationalisation in itself is wrong and that it has caused collapse of the public sector.

NATIONAL POLICY.

Nationalisation, as everyone knows, reflects a basic policy of the P.N.C. that Guyanese should own and control for their benefit the natural resources of the country and that they should have equality of opportunity in the economic as well as the social life of the country. These are set out in the "Objects of the Party" as a part of its Constitution.

If these Objects of the Party have not yet been attained, it is not because the Party's policy is wrong,

but because, mainly, of external pressures applied by forces hostile to the Socialist ideas which the Party has embraced and the generally unsatisfactory economic relationships that exist between the developed and developing countries.

These relationships have caused untold suffering even in countries which accept dictation from financial institutions dominated by the developed capitalist countries. Jamaica is a case in point.

Completely under the influence of the United States and the International Monetary Fund, the Seaga Government is no nearer to a solution of the economic problems of the country today than it was more than four years ago when it first took office.

FALSEHOODS

Not only does the GCC paper express half-truths, but it even makes statements that can only be regarded as total falsehoods.

For example, it says quite categorically: "Large-scale agriculture is in its most serious crisis since this century." This is so untrue and misleading as to be downright mischievous and perverse. In fact the agricultural sector, taken as a whole and considered against the background of external pressures and adverse local conditions, is maintaining a level of efficiency that has never been higher.

The allegation that people in Guyana are nutritionally deprived is not substantiated by any evidence. There is indeed a shortage of imported foods, and for this the P.N.C. does not apologise. No real and wide-scale development would be possible in Guyana if people

remain dependent on imported goods which are unnecessary or which can be replaced by local products.

REALITY

It should be noted also that there has in recent years been an enormous expansion in ground provision farming and spectacular growth in Guyana's fishing industry. These facts refute the statement of the GCC paper that there is "a serious crisis" in Guyana's agriculture.

The People's National Congress and the Government it leads clearly recognises that there are many serious political, economic and social problems which today confront Guyana. The P.N.C. also recognises that there is need for co-operation of all Guyanese — including those in the GCC — in finding solutions to these problems.

We would, therefore, like to suggest that the GCC give serious consideration to the views of the concerned Christians as set out in their fact sheet of 85-03-10.

EXAMINATION

The fact sheet states inter alia "... one of the first things that could be done is for the Church to seek to understand the real reasons which have brought about the present position. An objective examination will show who the real culprits are — those who are opposed to social transformation and the abolition of privileges in Guyana."

It is in the best interest of all concerned and not least of the churchmen and women of all persuasions in Guyana that they should be actively involved in such an examination.

Additional Church Opposition

Georgetown SUNDAY CHRONICLE in English 24 Mar 85 p 24

[Text]

THE AME Zion Church has distanced itself from the controversial Guyana Council of Churches (GCC) document which among other things, calls for the overthrow of the Guyana Government.

And, the Guyana Unity Church which, unlike the AME Zion Church, is not a member of the GCC having been denied membership, in a statement issued yesterday by the Rev. Gwen Egerton, said that having read the paper, the conclusion reached was that "it is politically charged and disagreeably partisan."

In its statement, the AME Zion Church, termed "irresponsible", the criticisms about the Government contained in the paper and again pledged its loyalty to the Government led by President Forbes Burnham.

"The A.M.E. Zion Church in Guyana is indeed thankful to this Government for its programme of peace and progress and begs to reiterate its unstinted loyalty," the

Church said in its statement signed by its Presiding Elder, Rev. George Mc Donald, and by Rev. Joseph London and O.P. Sinclair.

The Guyana Unity Church said the recent happenings in which the GCC is involved must be disappointing to all good Christians in this country. "This latest act", it said, was not in keeping with the Unity Church's fundamental principles and creed.

It "prayed" that the GCC may change its course and "direct its energies and influence in creating and strengthening the bonds of true Christian fellowship so that all may enjoy the peace that passes all understanding."

And, criticising the GCC for not granting the Unity Church membership, Rev. Egerton said "it appears as though those concerned want the GCC to be an exclusive club or clique in which only some Christian churches are accepted while others are rejected."

Reaction From Foreign Church Groups

Georgetown GUYANA CHRONICLE in English 28 Mar 85 pp 1, 4

[Text]

SEVERAL overseas religious organisations acting on "disinformation" fed them, have sent cables to President Forbes Burnham accusing the Guyana Government of harassing the Guyana Council of Churches (GCC) and the Catholic Standard.

The cables were sent to the President in response to the controversy which has arisen over a GCC document which

among other things, calls for the overthrow of the Government. The controversy has also led to the postponing of the Annual General Meeting of the GCC.

Some of the cables—most of them from North America—are almost identically worded. And, for some unexplained reason, they link the issue over the postponing of the Annual General Meeting of the GCC with alleged harassing of the Catholic Standard.

"Stop attempts at harassment to Catholic Standard and Guyana Council of Churches. Christian

organisations have strong support in Canada. Please do everything to insure freedom of expression and worship in Guyana," said separate cables from the Manitou Conference United Church of Canada and the Revd Mary Haggart of World Outreach Saskatchewan United Church.

And, Ronald Wallace of the United Churches, Montreal and Ottawa Conference wrote: "Recent attacks on Council of Churches and Catholic Standard. Can you insure free expression and safe worship in Guyana? We stand with Guyana's churches."

Other cables have been received from the National Council of the Churches of Christ in the USA, the World Council of Churches, based in Geneva, the Continuation Committee of the Caribbean Conference of Churches, the British Council of Churches and the Agricultural Mission.

They accused the

Government of disrupting the AGM of the GCC and of harassing certain Christian leaders.

However attention has been drawn to the fact that the authors of some of the cables sought to establish a link between the controversial document calling for the overthrow of the Guyana Government and the postponing of the GCC's AGM and the alleged harassment of the Catholic Standard.

It should be noted too that those Christians who turned up at the Diocesan Youth Centre on March 12 to attend the GCC's AGM, did so in keeping with the invitation extended by the GCC.

That invitation, was contained in the second paragraph of the controversial document circulated by the GCC.

The second paragraph of the said document states: "between the circulation of the paper and the AGM, a

series of meetings will be held in the Regions to discuss the paper and to stimulate interest among Christians to attend both the AGM and the one-day consultation which will precede it. The objective of the consultation is to formulate proposals which will be placed before the AGM the following day."

"Someone was out there on a disinformation campaign and soliciting the sending of cables to the President" one observer pointed out, stressing that it was incorrect to contend that the presence of invitees to the AGM represented a "disruption" of the said meeting.

And no one has been harassing the Catholic Standard. What is interesting though is that in spite of the invitation extended to Christians, the GCC saw it fit to selectively lock out several Christians from the AGM. That seems to be a case of many being called but few being chosen." (GNA)

GUYANA

JAGAN EXPLAINS HIS ONGOING OPPOSITION TO RULING PNC

Georgetown CATHOLIC STANDARD in English 24 Mar 85 pp 2, 3

[Letter to the Editor]

[Text]

WE PUBLISH today the following letter from Dr. Cheddi Jagan in response to questions raised by the editor in the Standard of Jan. 13.

The questions had previously been asked in an article entitled "More Questions than Answers" in the Standard of Dec. 2.

Sir,

YOU ASKED "Why does he (Dr. Jagan) justify his chummy behaviour with the minority regime which has the blood of his own young election officers, as well as Walter Rodney, Father Darke and others on its hands"?

What is meant by "chummy behaviour"? If it means fraternisation, I don't have time for.

Incidentally, to those who say that I am having secret talks and "knocking glass" with President Burnham, let me state that I have not seen him since 1980 when he stopped being, as President, a member of parliament.

If "chummy behaviour" means taking common actions on certain issues like the commemoration of the 150th Anniversary of the abolition of slavery, or disarmament, peace and solidarity with Cuba, Nicaragua, Namibia, etc. and the release of Nelson Mandela, we see nothing wrong and make no apologies to anyone.

(Incidentally, on certain foreign policy issues like Afghanistan and Kampuchea, PPP and PNC have different positions, and thus no common actions).

Incidentally, in terms of its dual character, the PNC is similar to the Catholic Church with its traditional conservative section and its democratic/radical "liberation theology" section.

We will have limited joint actions with the PNC or anyone else, including the Catholic Church, if they side with us.

Would the Catholic Church and the Catholic Standard join with us in a picket line protesting against US aggression against Nicaragua? Why doesn't the Catholic Church play a role in the Guyana Peace Council?

I have never said that "as long as a regime is 'anti-imperialist', one is justified in having friendship and cooperation with it, no matter how undemocratic and tyrannical it may be".

The PPP's method of work is "unity and struggle" or "cooperation or alliance and struggle". And this applies not only to the PNC but also to others.

We are cooperative with that part of the PNC policy which is progressive (like some aspects of its foreign policy) and struggle

or fight against that part which is undemocratic and authoritarian, corrupt, extravagant, discriminatory, etc.

One only has to read our statements in the Mirror, the Thunder and other PPP publications to see the relentless battle we are waging against the PNC regime in the interest of the working people of Guyana.

The PPP recognises that unity without struggle is empty; and struggle without alliance is fruitless.

To other opposition forces, we say: bourgeois democracy alone is not enough; there is need also for anti-imperialism and socialist orientation.

To the PNC, it says: democracy is vital; anti-imperialist posture and socialist rhetoric are not enough; their content must be deepened.

We have never given priority to "the perceived political interests of the Cuban and Soviet governments ... over the fate of the long-suffering Guyanese people".

We are at one and the same time patriots and internationalists. As such, we have national and international tasks. And we do not shirk either for opportunist reasons.

In our national tasks, the PPP alone decides its tactics and

strategy. All our decisions are made democratically, without any dictation from outside.

The socialist countries, in keeping with the principle of peaceful coexistence, do not interfere in domestic affairs of other countries.

In our international tasks, being Marxist-Leninists and associates in the World Communist Movement, the positions of the PPP and the communist parties in the socialist states generally coincide.

For the PPP, fighting against imperialism is also in keeping with the fight for democracy, social justice and bread in Guyana. To us, they are intertwined.

Incidentally, you were right in saying: "LOCAL OBSERVERS are sceptical of a report emanating from London that 'Dr. Cheddi Jagan is expected to be named to a senior political position in Government within the next three months ... the position Dr. Jagan will be offered by the Government is first Vice President'".

I cannot say what the PNC has in mind. But so far as the PPP and myself are concerned, we are not interested in positions; we want political power, policies and programme which will save our nation and help the working people. Cheddi Jagan.

24 May 1985

GUYANA

PNC, PPP, TUC OFFICIALS CALL FOR GREATER NATIONAL UNITY

Georgetown GUYANA CHRONICLE in English 27 Mar 85 p 5

[Text]

REPRESENTATIVES of the ruling People's National Congress, the Minority People's Progressive Party and the Guyana Trades Union Congress, on Monday night, called for greater unity among political and other groups.

Cde T. Anson Sancho, Principal of the Critchlow Labour College which organised the series of three symposia at which the call was made, said that he was pleased with the response from members of the public and the level of discussions that took place.

He commended members of the panel which included Cde Elvin Mc David, Chief Political Adviser to the President, Cde Kenneth Denny, Minister, Manpower and Co-operatives, Dr Cheddi Jagan, General Secretary of the PPP, Eusi Kwayana of the Working People's Alliance and Dr Clive Thomas of the University of Guyana.

Both Cdes Mc David and Denny pointed to the social gains the workers received as a result of PNC leadership.

Dr Jagan felt that the Government was not taking the correct line in trying to achieve its socialist objectives.

And Kwayana and Dr. Jagan felt that more power should be placed in the hands of working people.

The theme of the symposium was "Socialist Guyana — The way forward and upward."

Cde Mc David, in making the call, said that there is need for greater working understanding among influential groups, so that imperialism can be effectively neutralised.

Dr Jagan said that Guyana's problems can only be solved through the united efforts of all concerned, while using socialism as the vehicle towards achieving our goals.

Cde Joseph Pollydore, General Secretary of the Guyana Trades Union Congress, said that the time is ripe for the parties to come together and he called on one and all to work towards bridging the gap which separates them.

CSO: 3298/606

GUYANA

HOYTE ADDRESSES WORKSHOP ON CIVIL SERVICE CHANGES

Georgetown GUYANA CHRONICLE in English 22 Mar 85 pp 1, 4-5

[Article by Colin King]

[Text]

THERE is need for "fundamental change" in the local Public Service to realise the provisions of the Constitution, Prime Minister Desmond Hoyte told Public Service managers yesterday.

The managers should apply their minds to the "new formal system of organising our country, which the times require and the Constitution demands," Cde. Hoyte said at a workshop on regionalisation, held at Pegasus Hotel.

The workshop is considering proposals on restructuring the Public Service and defining its role in relation to the Regional System set out in the new Constitution. Specific tasks to be accomplished by the various agencies would be outlined at the end of the workshop.

In his presentation to the seminar, sponsored by the Public Service and Regional Development Ministries, Cde. Hoyte noted that central Ministries need:

☆ to function more actively as advisers to subject

Ministries, and compilers and sources of data among other services, and

☆ to play a key role in training the personnel required in the Regions of the country.

These examples, he said, suggest a "more expansive" role for the Ministries. They should get away from the "nuts and bolts" and focus on matters of wider national significance.

He reiterated that everything done by the Public Service must promote the political and social objectives established in the Constitution. These objectives, he stressed, are based on people's involvement, and the desire for growing improvement in their lives.

Earlier, Cde. Hoyte noted that the Guyana Public Service needs to adapt to the "far-reaching and pervasive changes" of the past years.

The "locus of power has shifted from the old cliques who controlled the old society to the masses of the people," he said, adding that this and

other developments require changes in our institutions.

In no way can Guyana establish a Public Service which "does not promote the national objectives as set out in the Constitution," the Prime Minister noted.

The Constitution, he pointed out, provides for people's involvement in decision-making and identifies local government as an integral part of the State.

He urged the managers to do some self-examination; to be sure they understand the need for change, to be sure they accept the need for change and to be sure they are "mentally attuned" to bringing about the required change.

Conceptualising the new structure for the Public Service is not the most important task. Rather, the Prime Minister asserted, people need to rid themselves of "old, inhibiting phobias" about losing their status, as a first step towards regionalisation.

[GNA]

CSO: 3298/606

GUYANA

FINLAND SEEKS BROADER TIES ACCORDING TO NEW AMBASSADOR

Georgetown GUYANA CHRONICLE in English 29 Mar 85 pp 4-5

[Text] The Republic of Finland is desirous of enlarging contacts with the nations of South America and the Caribbean, newly-accredited Ambassador of Finland to Guyana Dr Erkki Pajari said Tuesday.

In presenting his credentials to Prime Minister Desmond Hoyte the Finnish envoy said by establishing diplomatic relations and accrediting representatives to each other's capitals, the two Governments have taken an important step in the further development of relations.

"My Government has expressly authorised me to transmit to you, Excellency, their confidence in a fruitful and mutually profitable co-operation between our two nations in the years to come," Dr Pajari said.

Finland, he added, being a small country following a policy of neutrality, is indeed in the privileged position of being able to maintain good and friendly relations with all nations of the world.

He said his country attaches particular importance to maintaining good relations with the Governments and peoples of the developing nations.

And in replying to the statement made by the Finnish diplomat Cde Hoyte observed that there exist many possibilities for active collaboration between Guyana and Finland.

Guyana, he said, is happy to learn of Finland's desire to extend its international contacts to include South America and the Caribbean.

"We welcome this development for we recognise that the solidarity and co-operation of States offer a firm basis for small nations such as ours to face with hope and confidence the difficulties which confront us today and to facilitate the achievement of a peaceful and safe world," Cde Hoyte said.

Cde Hoyte said Guyana is aware of Finland's record of co-operation with developing countries.

"It is our hope that your accreditation as the first Ambassador of Finland to Guyana will lead to mutually beneficial results," Cde Hoyte continued.

According to the Prime Minister, since diplomatic relations were established between the two countries six years ago, relations have been friendly and cordial. (GNA)

CSO: 3298/608

GUYANA

CAGI LEADER DAVIS WANTS TO BE PART OF DELEGATION TO ILO

Georgetown GUYANA CHRONICLE in English 23 Mar 85 pp 1, 4

[Text] Guyana has a very good record in the practice of tripartism involving the Government, the Trades Union Congress (TUC) and the Employment Association but this approach needs to be reflected in the country's attendance at the annual conferences of the ILO.

That is the view of Chairman of the Consultative Association of Guyanese Industry (CAGI) Cde Harold Davis.

"Indeed, in a recent study of tripartism carried out by the Caribbean Employers' Confederation it was revealed that in the number and types of tripartite mechanisms available in this country we surpass many of our Caribbean friends," he told a luncheon at the Georgetown Club yesterday following CAGI's annual general meeting.

Tripartism, he explained, is the cornerstone of the existence of the International Labour Organisation (ILO), the oldest agency of the United Nations system.

He noted, however, that our Caribbean neighbours, despite their lower frequency of tripartite consultation, do not fail to attend the annual ILO conferences with full tripartite delegations.

He contended that although there is a shortage of foreign exchange, attendance at the ILO conferences should be given a high priority rating.

"It is to be noted that several of the socialist countries including the U.S.S.R. and Cuba are members of the ILO and attend with tripartite delegations," he said.

Cde Davis reminded the gathering about the benefits arising from ILO. These include the training of labour officers, senior public servants and managers from the private sector and the provision of technical and financial assistance and equipment to labour institutions.

Yesterday's activity marked the re-inauguration of the custom of holding a luncheon following the association's AGM--a custom which began with the formation of the association in 1960 but which was suspended nine years later.

The custom was re-introduced so that members of the Association would have the opportunity of meeting socially and renewing their acquaintance with the aims and functions of the organisation.

During the luncheon, at which Minister of Manpower and Co-operatives Cde Kenneth Denny was present, the Brass Aluminium and Cast Iron Foundry was welcomed as the Association's newest member. Its Managing Director, Claude Geddes, was presented with a framed copy of CAGI's Code for Employers.
(GNA)

CSO: 3298/607

GUYANA

WORKERS GET INTERIM INJUNCTION AGAINST PUBLIC SERVICE UNION

Petition of Court

Georgetown SUNDAY CHRONICLE in English 24 Mar 85 pp 1, 14

[Article by George Barclay]

[Text]

TWO employees of the Ministry of Education have moved to the High Court seeking an injunction to ensure that 349 employees of the Ministry who contribute to the Agency Shop, become union members with the right to vote at the forthcoming elections of the Guyana Public Service Union.

Chief Justice Kenneth George will tomorrow hear the application for the injunction made by Hewley Milton Robertson and Ederle Patricia Man-Son-Hing against the Guyana Public Service Union.

The plaintiffs who claim that all attempts made by them to get membership forms so that they could apply for membership and become members before March 31, have been frustrated by union officials who might wish to deny them the right to exercise the ballot at the elections this year.

They are suing on behalf of themselves and all other employees of the Ministry of Education who are non-members of the Guyana Public Service Union, but who are desirous of becoming members.

The plaintiffs are claiming that through the Agency Shop, they have been contributing money every month towards the union and that

unsuccessful attempts have been made to secure 349 membership forms for which applications had been submitted to the G.P.S.U.

Instead of supplying them with the forms they were told that if by March 31 they are not members of the Union, they will not be entitled to vote at the G.P.S.U. elections this year.

Among other things, they are seeking:

(1) A declaration that the plaintiff and all other persons employed in the Ministry of Education who are not members of the Guyana Public Service Union and who are now desirous of becoming members thereof, have been, are being and are likely to be hindered in the enjoyment of their right to freedom of assembly and association by the defendants as guaranteed under Article 147 (1) of the Constitution of the Co-operative Republic of Guyana.

(2) An order directing the defendants, their servants and or agents to declare forthwith to the plaintiffs and such other persons who are employees of the Ministry and who are eligible to become members such form or forms as are necessary for them to fill out in order that the defendants may consider their application to become members of the G.P.S.U.

(3) An order directing the defendants forthwith to consider the Plaintiffs' application for membership upon receipt of the application forms duly filled in.

(4) A declaration that the plaintiffs and other persons employed in the Ministry who are non-members of the G.P.S.U. are legally entitled to become members of the G.P.S.U. by virtue of Article 22 (1) of the Constitution of the Co-operative Republic of Guyana.

(5) An injunction restraining the defendants or their agents from preparing and/or finalising a list of members eligible to exercise the ballot in the election of the Executive Council of the Guyana Public Service Union this year until the plaintiffs' applications for membership and the applications for membership of all other persons employed in the Ministry of Education and who are desirous of becoming members of the G.P.S.U. are considered and determined.

(6) An order directing the defendants to place the plaintiffs and all other persons concerned on the list of members eligible to exercise the ballot in the elections of the Executive Council of the Union notwithstanding the time for doing so has elapsed.

(7) An injunction restraining the defendants from holding elections for the Executive Council of the G.P.S.U. until the plaintiffs' applications for membership are considered and determined.

The plaintiffs are also claiming damages in excess of \$1500 for breach of Fundamental Rights.

Court Action

Georgetown GUYANA CHRONICLE in English 26 Mar 85 p 1

[Article by George Barclay]

[Excerpt] An interim injunction was yesterday granted by High Court Judge Rudolph Harper restraining the Guyana Public Service Union from holding planned elections for the Executive Council until certain applications for membership are considered and determined.

The G.P.S.U. with Cde George Daniels as President, had planned to hold elections on May 27, 1985 to elect executive members including a President.

The interim injunction was granted following the hearing of an *ex parte* application by employees of the Ministry of Education--Hewley Milton Robertson and Ederle Patricia Man-Son-Hing.

CSO: 3298/607

GUYANA

NEW COOPERATIVE EFFORTS WITH JAPAN MARK ADVANCES

Welcome to New Envoy

Georgetown GUYANA CHRONICLE in English 22 Mar 85 p 1

[Text]

THE satisfactory development of relations between Guyana and Japan over the years has proved beyond doubt that, with mutual respect and understanding, physical distance is no barrier to the forging of mutually beneficial political and economic ties.

This observation was made by Prime Minister Cde Desmond Hoyte who yesterday received the Letters of Credence from Non-Resident Japanese Ambassador Extraordinary and Plenipotentiary, His Excellency Yosiusuke Takiguchi.

The Japanese envoy has already served in France, Algeria, Canada and Tunisia.

"I extend to you a warm and cordial welcome to our country and reciprocate the desire of your distinguished Emperor for the consolidation of the friendly relations which exist between Guyana and Japan," Cde Hoyte said in his reply to the accreditation statement made by Takiguchi.

The Guyanese Prime Minister also noted that the two countries collaborate closely in the international sphere.

"We share with you the determination to work towards the reduction of international tension and the elimination of the risk of war so that all mankind can be guaranteed a peaceful, secure and independent existence," Cde Hoyte added.

In presenting his credentials, the Japanese diplomat said the Emperor of Japan has expressed his earnest desire to maintain and further strengthen the cordial and friendly relations existing between the two countries.

"I consider it a great honour and privilege that I have been given the opportunity to serve in this country...particularly at this time when the co-operation between the two countries is being strengthened not only on a bilateral basis but also in the international community," Takiguchi said. (GNA)

Grants From Tokyo

Georgetown SUNDAY CHRONICLE in English 24 Mar 85 p 1

[Text]

THE Non-Resident Ambassador of Japan to Guyana his Excellency Mr Yoshihiko Takiguchi and Head of the Department of International Economic Co-operation (DIEC) Cde Donald Abrams on Friday afternoon exchanged notes of agreement for a grant to assist Guyana to execute the first stage of Phase Four of the Demerara Fish Port Complex.

The grant of 490m Japanese Yen (approximately \$1.9 million (US) will provide one shrimp grading machine, two ice plants, two refrigerated trucks and one stand-by generator.

It will also furnish one blast freezer, two fork lifts and water treatment and purification equipment.

After the signing ceremony held at the DIEC's boardroom on Homestretch Avenue, Cde Abrams said that the Guyana Government looks forward to continued co-operation and collaboration with the government of Japan.

In his reply, Mr Takiguchi said that he was particularly happy to be able to sign the

notes as one of his first duties as Ambassador of Japan to Guyana.

The newly-appointed Ambassador presented Letters of Credence to Prime Minister Desmond Hoyte on Thursday.

The government of Japan realises the importance Guyana places on fishery and agriculture, he observed.

"I sincerely hope that today's exchange of notes will contribute not only to the national development of Guyana but also to the furtherance of friendly relations between our two nations," the Ambassador added.

The Government of Japan has already financed, through grant aid, the first three phases of the fish port complex at a cost of approximately \$15 million (Guyana).

Japan has also extended grant aid to Guyana's agriculture section in the form of chemicals and fertilizers and has most recently, made a significant contribution to the energy sector in the form of diesel generating equipment for the Versailles Power Station. [GNA]

Power Station Program

Georgetown GUYANA CHRONICLE in English 23 Mar 85 p 3

[Text] The Guyana Electricity Corporation and a team from Japan yesterday ended week-long discussions on the work programme for the improvement of Versailles Power Station which is being undertaken partly through a Japanese grant.

A release from the GEC said eight representatives from EPDC International Limited and Nissho Iwai Corporation, engineering and contracting firms respectively, reviewed the programme and settled operational details for the project.

"It is expected that site work by Nissho Iwai and a local sub-contractor will commence in May," the release said, adding that the new generators to be installed are scheduled to be handed over for commissioning by mid-December this year.

Preparatory work, by GEC and a local contractor, Plant-Maintenance and Hire Division, in dismantling and removing three of the four generators now at Versailles, is now in progress.

The Japanese, who leave today, also informed GEC personnel about the progress being made in Japan in manufacturing the equipment to be installed at the power station.

Three two-megawatt diesel generators are to replace those now at the Versailles station.

CSO: 3298/608

GUYANA

MINISTRY FUNCTIONS UNDER REGIONAL SYSTEM EXAMINED

Georgetown GUYANA CHRONICLE in English 23 Mar 85 p 1

[Text]

GOVERNMENT Ministries are to complete by month-end the clear definition of their role and functions in keeping with guidelines set down for the deepening of the regionalisation process.

The Ministries are to clarify and document how their functions can be organised through the Regional System.

These tasks were set Ministries on Thursday at the end of a Public Service managers workshop where proposals for restructuring the Public Service were discussed in the light of the thrust towards regionalisation.

Prime Minister Desmond Hoyte addressed the opening session of the workshop, sponsored by the Public Service and Regional Development Ministries, and held at the Pegasus Hotel.

Other specific tasks set the Ministries include the redefinition of their missions, where necessary, and the reviewing of their organisational structures in keeping with the redefined missions.

It is also expected that particulars of staff and equipment or tools to be transferred to the Regions will be completed by the March 31 deadline.

A further requirement of Ministries is for documentation on operational procedures to be submitted for despatch to the Regions to assist them in organising the functions they have to undertake.

And, for their own operations, Ministries are to consider changes in job specifications, where necessary to reflect changes in employees' functions brought about by the reallocation of functions of the respective Ministries.

[GNA]

CSO: 3298/607

GUYANA

RICE BOARD OFFERS EQUIPMENT, PARTS FOR REGIONAL SALE

Georgetown GUYANA CHRONICLE in English 29 Mar 85 pp 1, 4

[Text]

EAST BERBICE: (GNA.) -

The Guyana Rice Board is now offering all its tractors, combines and related equipment and spares for sale to Regional Administrations and Government agencies involved in the rice industry.

A senior officer from the GRB said that this action is being taken in view of the restructuring of the Board.

He said that with the scarcity of equipment and spares in the country, Regional Administrations are being urged to inspect and select the machinery suitable to their needs in the rice industry.

Meanwhile, Head of the Guyana State Corporation (Guystac) Cde Cecil Douglas, told senior officers in the rice industry Tuesday, "we have made tremendous advances in our development."

Cde Douglas praised the officers and said they should be proud of their contribution

to the rice industry which has helped the country's development.

He noted that they are working in difficult but exciting times and should see the difficulties as challenges which they should use their expertise to overcome.

Earlier, Cde Douglas toured the operations at the headquarters where he witnessed the packaging of rice for the Trinidad and Tobago market.

During the meeting, the Chief Executive Officer discussed the restructuring of Guystac and its proposed operations.

The rice industry's officials expressed concern about losing benefits obtained under the old laws but were assured that every effort would be made to ensure that the workers do not lose any benefits in the restructuring exercise of the rice industry.

CSO: 3298/607

GUYANA

CUBAN SPECIALISTS ASSIST WITH TOBACCO, PEANUT CROPS

Georgetown GUYANA CHRONICLE in English 30 Mar 85 p 3

[Text]

THE MINISTRY of Agriculture has decided to concentrate tobacco production at Moblissa and Laluni on the Soesdyke-Linden Highway. And, private dairy farmers at Moblissa, who are involved in peanut cultivation, will be asked to rotate that crop with tobacco.

These decisions stem from the findings of a team of Cuban tobacco specialists who have just completed a study of the industry. They submitted a report to the Ministry before leaving the country Thursday.

The Ministry is now considering the document, and is expected to take action for development of the industry soon.

Also, in continuation of the co-operation programme agreed between the Ministries of Agriculture of

the two countries, seven more Cuban agriculture specialists arrived in Guyana Wednesday for talks on quarantine arrangements, and poultry production.

All of them are advisers to the Cuban Ministry of Agriculture. They will be here for one month.

Four members of the team will examine the animal and plant quarantine systems here with a view to assisting in the campaign to reduce public health and economic risk which can be brought about by the entry into the country of diseases that affect animals and plants.

Three members of the team will hold talks with local officials on the possible setting-up of a broiler-breeder chicken production unit.

This unit should enable the production of a special type of commercial chicken, the eggs for which were previously imported.

CSQ: 3298/607

GUYANA

BRIEFS

GOVERNMENT-TUC WAGE TALKS--Talks between the Government and the Guyana Trades Union Congress on wages and salaries in the public sector have been adjourned to a date to be fixed. At a meeting last Tuesday six interim reports were presented by committees set up to examine the various aspects. The reports were from the Anomalies, Collective Bargaining, Working Hours (and five-day week), Indexation, TUC Financing and Critchlow Committee. These committees are to prepare final reports. Sources at the meeting said that the restoration of increments was also discussed. The Government team was led by Deputy Prime Minister Haslyn Parris and included Minister of Manpower and Co-operatives Kenneth Denny. The TUC team was led by George Daniels, President. [Text] [Georgetown GUYANA CHRONICLE in English 30 Mar 85 p 3]

TRACTORS FOR LIBYAN FIRM--The Guyana National Trading Corporation yesterday handed over ten Massey Ferguson 290 tractors to the Guyana-Libya Agricultural Development Company. The vehicles which will be used on the rice and other agricultural plots the company has at MARDS and in the MMA area, were assembled at the GNTC tractor assembly plant. They were bought from England by the company. Executive Director of GNTC, Vibert Parvattan who handed over the keys to Managing Director of the company, A. Al-asheg, noted the company's activities in Guyana and pledged his Corporation's commitment to providing technical support for the upkeep of the machinery to ensure extended economic life, reduced down time and high availability and utilisation. Al-Asheg remarked that all his company's machinery has been assembled by GNTC, and thanked the workers and executives of the Corporation for their support of the company. The ceremony took place at GNTC Engineering and Agricultural Division in Water Street. [Text] [Georgetown GUYANA CHRONICLE in English 28 Mar 85 p 1]

CO-OP EFFORT--New Amsterdam (GNA)--Minister of National Mobilisation, Cde Robert Corbin on Wednesday made the observation that the achievement of national development and socialism in Guyana would be attained not by magic but by co-operative effort and hard work. He outlined some of the objectives of socialism and local democracy and called on Party supporters to mobilise and motivate people for greater production. Cde Corbin was speaking at the final day of a one-week training session for PNC members of Regions Five and Six at the Guyana Transport Services Limited (GTSL) Conference Hall in New Amsterdam. Some of the other speakers at the seminar which featured several

workshops were Deputy Prime Minister and General-Secretary Ranji Chandisingh, Minister of Manpower and Co-operatives Kenneth Denny, Minister within the Ministry of National Development Urmia Johnson and Central Executive Member of the PNC Robert Williams. [Text] [Georgetown GUYANA CHRONICLE in English 22 Mar 85 p 5]

REGIONAL COORDINATION UNIT--Anna Regina (GIS)--The Regional Democratic Council (RDC) of the Pomeroon-Supenaam Region has approved the setting up of a committee to co-ordinate the operation of the Regional Workshop. Committee members include the Regional Mechanical Engineer, and representatives from the RDC, the Regional Economic Affairs Committee, the Guyana Rice Board, all Local Authorities and District Councils. The Regional Workshop Committee will be responsible for the servicing and hiring of all heavy-duty equipment attached to the workshop. The formation of the committee resulted from a request from the Regional Mechanical Engineer and Controller of the Regional Workshop, Cde Walter Parbudin. [Text] [Georgetown GUYANA CHRONICLE in English 22 Mar 85 p 5]

CSO: 3298/609

MEXICO

SOUTHERN ZONE COMMANDER DEPARTS FOR NEW POST IN MONTERREY

Governor Hosts Farewell Address

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 15 Mar 85 p 7

[Text] At a farewell dinner given by Governor Castellanos Dominguez on the evening of 13 March for Gen Enrique Cervantes Aguirre, who for 2 years served as commanding officer of the 31st Military Zone, the outstanding qualities of the guest of honor and the gap he will leave among Chiapas residents were stressed in the homage paid to him.

Manuel Salinas Solis, presiding over the dinner on behalf of the governor, observed that in performing the duties of his office, the guest of honor had demonstrated simplicity, a gift with people and an understanding of all social classes.

Cervantes Aguirre replied that what he had been able to achieve was due to the efforts of his fellow comrades in arms, the support of government officials and the people. He assured the governor that success would crown his important tasks in the service of government.

Cervantes will take up the same post in the 7th Military Zone in Monterrey, Nuevo Leon. He will be replaced by Div Gen (Airborne) Edmar Euroza Delgado.

New Post Taken Up

Monterrey EL NORTE in Spanish 19 Mar 85 p 1-B

[Text] Replacing Gen Alonso Aguirre Ramos, Div Gen Enrique Cervantes Aguirre, member of the general staff, yesterday took up his duties as new commanding officer of the 7th Military Zone and the 4th Military Region.

Representing the secretary of national defense, Gen Juan Arevalo Gardoqui, the ceremony was attended by Div Gen Francisco Andrade Sanchez, who said:

"In the army, there is no place for those who are conformists, for one has to seek to excel in order better to serve the nation. The duty of every soldier is to try to be continually better, serving with constancy, fidelity and loyalty to the institutions of the legally constituted government in order to guarantee Mexicans of their confidence in the Mexican Army."

The new military chief pledged to fulfill military guidelines, ever seeking excellence physically, morally and spiritually for the good of the Mexican Army and the welfare of Mexico.

Following a military parade by the men of the 7th Military Zone, Gen Francisco Andrade made the customary remarks.

11,464

CSO: 3248/337

MEXICO

SOVIET AMBASSADOR DEFENDS NICARAGUAN RIGHT TO ARMS

PA261350 Mexico City EL NACIONAL in Spanish 22 Apr 85 page not given

[Article by Jose Antonio Alcauter]

[Excerpt] Like any other country, Nicaragua has the sovereign right to receive military equipment for its defense. I do not see why the United States wants to deprive only that Central American country of that right.

This was said yesterday by Rostislav Sergeyev, Soviet ambassador in Mexico, in a brief interview with EL NACIONAL, during which he denied that there are Soviet military advisers in Nicaragua.

On the Reagan peace plan, the Soviet diplomat said that it comes across more as a proposal for war. He stated that it is a covert action to continue the policy of terror in those countries that are not friendly with Washington.

He admitted that his country sends arms to Nicaragua, clarifying that "they are only defensive, not offensive weapons."

CSO: 3248/338

MEXICO

VIOLENT PEASANT CONFRONTATION WITH STATE OF MEXICO POLICE

PSUM Accused of Incitement

Mexico City EXCELSIOR in Spanish 20 Apr 85 pp 1-A, 10-A, 11-A

[Article by Manuel Lino and Luciano Tapia]

[Text] Tequixquiac, Mex., 19 Apr--Police in the state of Mexico met with violent resistance today from 300 peasants armed with guns, rocks and clubs when they attempted to oust them from a ranch the peasants have occupied for 20 days in a demand for land. Dozens were wounded and at least 60 commoners [comuneros], including women and children, were arrested.

Contradictory reports have emerged. According to accounts from peasants, at least three of their numbers died during the incidents. According to Luis Rivera Montes de Oca, deputy attorney general of the state of Mexico, "there have been no deaths."

EXCELSIOR reporters did count 13 inert bodies, although they could not be sure whether they were dead or alive. They also said that three bodies of farmers were thrown into the waste waters of the Tequixquiac Canal belonging to the Federal District Sewage System.

The bloody incidents began at about 1230 hours. According to the peasants, some 150 state police officers attacked them with firearms and clubs. Based on eye witness accounts from EXCELSIOR reporters, the peasants fought back with stones and clubs, clashing with the security forces.

The land dispute in which the local commoners have been involved for years led to the clash between police and some 300 peasants. According to the latter, the incidents occurred when police tried to evict them from the land of what was formerly the San Sebastian ranch, which the peasants were occupying in order to demand the return of 186 hectares they say belong to them based on a document issued by Major Reyes Castaneda of the Southern Liberating Army on 5 December 1914.

Deputy Attorney General Rivera Montes de Oca, who gave a press conference this evening, said that the attack came from the peasants when they were engaged in talks with the assistant official for agrarian reform, Rafael Sobrevilla, the local Attorney General's Office and the deputy director of the state government, Ruben Mora Giron.

Instructions to Police

Shortly before the incidents began, EXCELSIOR reporters heard instructions over the police radio -- "Roble 1 to RG-8" -- telling officers to evict the peasants and even to use weapons "if necessary." The instructions were issued by the so-called "X-1."

At about 0530 hours this morning, larger groups of commoners began arriving at the former San Sebastian ranch, but the incidents did not begin until about noon. The confrontations occurred at different sites within an area of approximately 1 kilometer.

Intransigence

In a bulletin issued tonight by Jorge Hernandez Ochoa, general director of the press and information of the state of Mexico, it was "the intransigence and desire to generate violence on the part of extremist groups" that "today prevailed over dialogue in the handling of the old land dispute on the former San Sebastian ranch."

Peasants Jose Luis N., Juan N., Heriberto N. and Juan Manuel N. managed to escape the police attack by hiding in one of the houses on the property. They claim that it was the police who attacked them with firearms and clubs when the peasants were talking with state and federal authorities.

"They tried to evict us," they said. "We could only defend ourselves with clubs and rocks, but the police had weapons. We understand that three of our comrades died."

According to the bulletin issued by Hernandez Ochoa, at about 2230 hours, the police were "attacked with firearms and sharp weapons by a group of professional provocateurs and agitators," which in turn caused elements from the Public Security Directorate to intervene. "They had been exercising surveillance over the zone for several days in order to prevent confrontations."

EXCELSIOR reporters did not see any peasant with such weapons. Rather, they had only clubs and stones. The reporters even watched police with riot shields attack the peasants. At one point, they were throwing women down a hill and the women would climb back up and attack with rocks.

Several policemen then aimed their weapons at news reporters and shouted: "If you don't all get out of here, it'll be your turn!"

The commoners seized four policemen as hostages and took them to an improvised camp where they were held for 4 hours. According to the bulletin from the state police, 9 police officers were wounded and only 1 of them, Maj Hubert Espinoza Lopez, is in "serious condition."

According to that same official report, 10 civilians were wounded, "but none was hospitalized, since their injuries were not serious."

However, according to Rivera Montes de Oca, 19 commoners were wounded, 4 with serious bullet wounds. Two of them: Teodoro Villegas and Miguel Vazquez Juarez, are in the Social Security Hospital in Tula, Hidalgo, and two more, Nicolas Villegas Godinez and Isidro Carrillo Carmen, are at La Villa Trauma Center.

The names of the injured commoners are Pablo Cruz Anaya, Mario Flores Godinez, Guadalupe Rojas Miguel, Andres Perez, Isabel Miguel Torres, Ezequiel Cruz, Gilberto Villegas, Timoteo Nolasco, Vicente Franco, Eduardo Villegas, Luciano Garcia, Francisco Ricano and Francisco Villegas, all hospitalized in different places in the area.

Aftereffects

At about 1600 hours, following the confrontation between commoners and police personnel, the latter set about arresting any peasant found in the area. In large bonfires, they burned bicycles, carts and other implements used by the peasants. EXCELSIOR reporters counted at least 10 big fires set by police, who also burned the small stores set up by peasants involved in the dispute over the San Sebastian ranch, which has 189 hectares of fertile land worth some 500 million pesos. The peasants had put up the stores in the vicinity while awaiting resolution of the conflict and hoping to return to the land.

The occupation led to a major police mobilization on the property itself, whose ownership is claimed by Gabriel Suarez Fragoso, and in the municipality, causing great fear among the population. It is estimated that at least 600 state police officers occupied the settlement. The town hall was closed and many merchants also closed their businesses. The fear of the people could be seen whenever questions were asked. "We know nothing," was the usual reply.

Interests

Questioned about the events as he got out of his helicopter, Gerardo Ruiz Espar Esparza, undersecretary of government of the state of Mexico, said that according to information available here, "this is a matter not related to the peasants," he said, "and I would say it is even extranational. There are many strange hands in the problem that are trying to stir up this area. We have tried to resolve the matter according to the law. We have no other interest than resolving the matter in accordance with the law. According to our reports, the police were attacked and one commanding officer was seriously wounded. Even the deputy director of operations, Eustolgio Perez Becerril, is injured. I repeat that there was no intent to oust the commoners. What has happened is that since they dug trenches to prevent farm workers from going to their jobs, police were sent to clear the way."

He repeated that action will be taken in accordance with the law and that the guilty will be punished.

Missing Persons

At approximately 1700 hours, when the Tequixquiac town square was filled with police, groups of men and women were asking for reports on their relatives.

Many went to the Zumpango Hall of Justice seeking information on missing persons. In addition, committees went to Apasco, Tula and other nearby places to search for their relatives. One committee of commoners, made up of Joel Ruiz, Filiberto Hernandez Sosa and Macrina Gutierrez and Ofelia Salas, said that "several" peasants were murdered. Shots were fired by police who had received orders to evict them. As they fled, many persons fell into the sewage canal that goes to Tula. Others were slaughtered and "many persons died."

The incident stirred nearby communities. The vast police mobilization spread fear among these communities. The parish priest from Zumpango, Jose Gonzalez Hidalgo, came to help the wounded. He lamented the incidents and expressed his hope that everything would be resolved in a satisfactory manner. On all access roads, hundreds of persons stationed themselves waiting for information. Fear in Tequixquiac was palpable.

The director of public security and transit in the state of Mexico, Capt Jesus Antonio Buentello, said that there was no order to evict the peasants. The 130 police found in the area had instructions merely to clear the roads leading to the ranch. The attack came from the commoners and there was never an order for the police to act with violence. The police were only responding to the violence of the peasants.

He added that there was no order to burn carts, bicycles and other belongings of the commoners. An investigation will be made of the case and the guilty parties will be punished. Representatives of the Santiago Tequixquiac commoners said that "agrarian authorities protect the ranch owners. Despite the fact that we have all the documents proving our ownership of the 189 hectares, the Agrarian Reform gives them to the Suarez Fragoso family. It is not fair; we are the real owners. Today, they slaughtered us. This is a black spot for the government of the state of Mexico, that it does not respect the property of the peasants. We shall continue to fight, even if they try to get around the law by granting the land to bosses and powerful persons, ignoring our demands. We shall not give up and if today they kill us, our children will continue the fight because this land has belonged to us since 1914. We shall continue the struggle."

Finally, Rafael Sobrevilla, deputy director in the Secretariat of Agrarian Reform, explained that this morning, talks were held with the commoners in order to arrive at a solution. "We dialogued with them and told them that there are proper procedures, but for that purpose, we need to start talks, show documents and take specific action." He said that the process could last 6 months and that only in this way could a solution be found. "That is as far as we had gotten when the attack occurred."

By 2230 hours, police from the various regions of the state were ready and waiting. The fear of the people of Tequixquiac gradually grew.

Incited by PSUM

In a bulletin issued late last night, the government of the state of Mexico stated that peasants "brought in from various places, incited by members of

the Unified Socialist Party of Mexico (PSUM), attacked police officers guarding the land of the former San Sebastian ranch with firearms, clubs and pipes."

The document also notes that the land is being studied by "experts from the Secretariat of Agrarian Reform to determine its possible allocation" and adds that during the confrontation, 16 municipal police officers were wounded and are in different hospitals.

Javier Martinez and Benjamin Gutierrez have been hospitalized with serious injuries and the others received cuts, bruises and minor injuries.

PHOTO CAPTIONS

1. p 10-A. His hands tied, one of the policemen taken hostage is led by peasants to an improvised camp.
2. p 10-A. Bleeding and his hands tied, a state of Mexico policeman who fired on a group of commoners is led away as a hostage by a peasant.

Statement by CNPA Representative

Mexico City EXCELSIOR in Spanish 21 Apr 85 'States' Section pp 1, 4

[Article by Manuel Lino and Luciano Tapia]

[Text] Tequixquiac, Mex., 20 Apr--Relative calm is now being maintained in this town by 400 officers from the Public Security Directorate of the state of Mexico, officers heavily armed in order to exercise surveillance over the population and prevent any reorganization of peasants after yesterday's bloody clash of some 300 peasants and 150 police officers. Dozens of persons were injured and 71 men, women and children were arrested.

The fear of the people was also reflected in the empty downtown area, where shops were closed and rumors circulated about the police action aimed at preventing the gathering of peasants announced in local churches. Many families left their homes because of the unusual deployment of the armed forces.

Questioned at one of the churches where they met to try to organize future action, representatives of the commoners, Jose Luis "N," Juan "N," Ofelia "N," Estela "N" and Lilia "N," who asked to remain anonymous out of fear of reprisals, repeated that "the incidents occurred when some 150 police officers tried to evict us by force from the area of the former San Sebastian ranch.

"They brutally struck women, children and men. Many persons are missing whom we have not been able to locate. They are nowhere to be found and other commoners lie seriously wounded in the Red Cross Hospital in Naucalpan and the Lomas Verdes Trauma Hospital."

For his part, Luis Rivera Montes de Oca, deputy attorney general, met with this reporter and said that most of those arrested, totaling 71, "have been released. Only 10 are still being held, allegedly directly responsible for the clash."

He said that these persons are being investigated in order to determine their degree of responsibility. "We acted to fulfill the obligation of authorities to enforce the law and since in this case public security officers were attacked, the investigation will be complete and thorough in order to determine the degree of responsibility of those involved."

He repeated that based on the reports, "no one died as a result of the confrontation." He added that 9 police officers and 7 commoners are in the various local hospitals. The condition of Maj Huber Espinoza is satisfactory and he is apparently out of danger.

The official said that the 10 persons arrested in connection with the investigation are Cecilio Lopez Lopez, Hilario Nolasco, Silvino Cruz Cruz, Fidel Tapia Villegas, Pedro Cruz Villegas, Marcelino Vargas, Amado Tapia, Jesus Pacheco, Jorge Lopez Zamorano and Teofilo Miguel Angeles.

Rosalia Tenisa, from the National Coordinating Board for the Ayala Plan (CNPA), said that "11 peasants are missing and 5 are seriously wounded in the Red Cross Hospital in Naucalpan and the Lomas Verdes Trauma Hospital."

She also announced a peasant protest march toward Mexico City demanding justice "for the attack by the state of Mexico police of which we were the victims."

The peasants also said they would continue the fight because the 186 hectares of the former San Sebastian ranch "belong to us based on documents issued by Major Reyes Castaneda of the Southern Liberating Army on 5 December 1914."

Deep Concern

The peasant population remains deeply concerned over the fate of many missing relatives. Many were taken to unknown places in cars and trucks. "The cruelty with which we were treated is of serious consequence to the social struggle, but they will not make us yield," most warned.

According to interviews with police officers assigned to the area it was established that according to codes used to oust the 300 peasants found in the area of the former ranch, "Roble Uno" is the governor of the entity, who in turn issued instructions to the director of public security and transit. The eviction order was received by Eustorgio Perez Becerril who, along with Huber Espinoza, headed the police contingent that attacked the peasants.

Municipal President Elias Perez said that municipal facilities would not be reopened until there was a sufficient guarantee of safety for employees and facilities alike. "We have the help of high police officials and I believe that if things go as they have, we shall continue to do our work."

The four bridges that provide access to the old San Sebastian ranch are out of service and in addition, sewage water from a small canal has prevented a considerable area of land from being cultivated. The view of what was the battlefield of police and commoners is desolate. Carts and dozens of bicycles are now in ashes.

Blood stains still remain from the bloody clash between peasants and the local police.

In the afternoon, a committee of commoners from Santiago Tequixquiac were busy drafting a document asking for the immediate removal of the director of public security, Capt Jesus Antonio Buentello, who the peasants say gave the order to evict the commoners.

The document also states that it is not conceivable that in Mexico, while a family such as the Suarez Fragosos cultivate 186 hectares, there are peasants without any land at all, which has resulted in the truly poverty-stricken condition of the latter.

CNPA, PRT Blamed

Mexico City EXCELSIOR in Spanish 21 Apr 85 'States' Section pp 1, 4

[Text] Toluca, 20 Apr--Some 16 persons under arrest, 20 injured, 4 with bullet wounds: Such are the official results of the clash between commoners and police that occurred yesterday on the old San Sebastian ranch in Tequixquiac. The Office of Attorney General claims that no one died.

The secretary general of the local government, Leopoldo Velasco Mercado, called a press conference today and blamed the CNPA and the Revolutionary Workers Party (PRT) for having incited the population to riot and causing the bloody incidents. The conference was attended by Humberto Ilra Mora, attorney general, and Francisco Yanez Centeno, from the Secretariat of Agrarian Reform.

Velasco Mercado said that the problem "is clearly political, closely related to the coming elections. Yesterday, professional agitators were involved whose identity we know and they even brought in people from other states to help them in their purposes."

He pointed to PRT federal deputy candidate Rosalia Teniza Gonzalez as the intellectual author of the occupation of the disputed land and Friday's confrontation. He also mentioned Francisco Cruz, Silvino Cruz, Cecilia Lopez and Marcelino Vargas, from the National Coordinating Board for the Ayala Plan, affiliated with the PSUM.

The secretary general of government added: "Yesterday's incidents resulted from the intransigence, inclination toward violence and their refusal to engage in dialogue and abide by the law."

Lira Mora denied that anyone died as a result of the clashes and said that 16 persons were arrested and would receive the full penalty provided by law. He said that the intellectual authors of the incidents have been identified, that four of them are being held and that warrants have been issued for the arrest of eight more now at large, including Rosalia Teniza.

The state attorney general said that charges have been filed as a result of the injuries, looting, use of firearms, illegal detention, attacks on communications and rioting, the latter a crime carrying 12 years imprisonment without right to bail.

Those arrested so far are: Cecilio Lopez, Hilario Nolasco Vargas, Silvino Cruz, Fidel Tapia Villegas, Pedro Cruz, Marcelino Vargas Navarro, Amado Tapia, Jesus Lopez and Jorge Pacheco, who are in the office of the deputy attorney general in Texcoco.

Those arrested and hospitalized in Naucalpan are Francisco Garcia Ricano, Eduardo Villegas Hernandez, Serafin Navarro, Isabel Martinez, Francisco Cruz, Miguel Vazquez and Mario Flores.

Concerning the incidents, Lira Mora explained that they practically began Thursday night, when the peasants who had for 27 days occupied 183 hectares of the former San Sebastian ranch kidnapped officials from the Secretariat of Agrarian Reform and broke off talks already begun with them.

"On Friday morning," he said, "the talks began again at the spot known as 'el Crucero,' when shots were suddenly heard coming from a nearby grove. They came from a place where there were no police. In fact, two uniformed policemen were the first to fall."

He noted that at no time was the eviction order given and that when the confrontation occurred, there were only 30 officers from the General Directorate of Public Security assigned to guard the old ranch headquarters. "The officers merely responded to the attack on them," he said.

According to the investigations completed and based on the statements of 71 commoners, it was established that on Thursday night, several hundred persons arrived from the states of Guanajuato, Queretaro, San Luis Potosi and Hidalgo, "people prepared and ready for a confrontation," he continued. "They are professionals, trained in hand-to-hand fighting. Several of them have been arrested and have confessed."

He said that the situation has calmed down totally and that although some 100 members of the General Directorate of Security and Transit are still on the scene to prevent further problems, "order has totally been restored and the guilty parties identified."

He said that 20 persons were injured, 13 of them police officers and 7 civilians. Those wounded by bullets include 4 officers and 2 commoners.

The names given are: Hubert Espinoza, commanding officer of the 8th region; Magdaleno Aguirre, Octavio Ramirez, Benjamin Gutierrez, Juan Martinez, Guillermo Villegas, Filiberto Espindola, Antonio Alfaro Ruben Morales, Javier Martinez Juvenal Dominguez, Pedro Vaca and Eusebio Rojas, all policemen. Magdaleno Aguirre and Octavio Ramirez are the two who suffered bullet wounds and their condition is so grave that there is fear for their lives.

The other persons wounded are: Francisco Garcia Ribano, Eduardo Villegas, Zeferino Navarro, Isabel Martinez, Mario Flores, Francisco Cruz and Miguel Vazquez.

For his part, the official from the Secretariat of Agrarian Reform, Francisco Yanez Zenteno, emphasized that the problem started in 1972, that several resolutions have been suggested and that all avenues remain open. He said that work will not be interrupted and that the peasants will have the land if that is the determination made, "but they have to cease their occupations and provocations."

Finally, the secretary general of government said: "We are deeply sorry for the incidents that occurred on the former San Sebastian ranch. We expressly condemn all use of violence to resolve social conflicts of any nature."

In condemning this attack, which nothing can justify, "we repeat that we have perceived a manifest intention of seeking disorder and fostering situations of anarchy and social unrest. The state community will not yield in the face of provocations aimed at its basic interests," he concluded. (IP)

11,464
CSO: 3248/334

MEXICO

BRIEFS

NAVAL MODERNIZATION SAID UNIMPEDED--Programs to modernize the fleet and equipment of the Mexican Navy will not be halted or cut back for economic reasons because the Federal Government deems it of prime importance to provide effective and adequate service on territorial waters, Capt Jose Martin Herrera Avitia, general director of Planning and Budget of the Secretariat of the Navy, said yesterday. All personnel in that branch of service are being trained to make the most rational and proper use of budgeted funds, for in these times of economic crisis, planning is needed to organize and rank the priority needs of the Secretariat, especially relating to new vessels, equipment and facilities. For 10 days, administrative and technical personnel of the Secretariat of the Navy participated in a series of lectures on planning and budgeting, sources of financing for the public sector, receiving guidance about the true economic situation of the country, measures to achieve administrative simplification and the economic policies implemented by the Federal Government. The official from the Secretariat of the Navy emphasized that in order to modernize the naval fleet, prime attention will be given to construction of the Secretariat building in the capital and that equipment is being acquired without any problem "so that this sector may perform its valuable service of protecting and watching over our waters." [by Carlos A. Medina] [Excerpts] [Mexico City EXCELSIOR in Spanish 24 Apr 85 pp 5-A, 28-A] 11,464

CHIAPAS: PSUM LAND SEIZURE--Las Margaritas, Chis.--Marcelino Hernandez and Ricardo Santiz Lopez, members of the United Peasants Struggle, have reported that a group of members of the Unified Socialist Party of Mexico (PSUM) invaded their land and that despite their appeal to the Secretariat of Agrarian Reform asking for justice, "they paid no attention to us, as a result of which we shall have to take justice into our own hands." They specifically named Margarito Ruiz Santiz, Enrique Vazquez Hernandez, Alejandro Aguilar Gomez and an attorney named Audulio as the leaders of the PSUM group that occupied the land of the United Peasants Struggle and seized a bus, a 6-ton truck and a pickup truck. Actually, the invaders were caught by PSUM members, who have been manipulating them as they see fit, they reported. "We are tired of going to Tuxtla Gutierrez and of complaining to Agrarian Reform authorities. They do not pay any attention to us," the peasants said. The latter have already lost some 250 hectares of land used for farming to support their respective families. [Text] [Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 17 Mar 85 p 1] 11,464

CSO: 3248/334

NETHERLANDS ANTILLES

BRIEFS

ARUBA EMIGRATION, UNEMPLOYMENT FIGURES--Oranjestad, (Netherlands Antilles), April 22--The number of Arubans leaving their Caribbean island has more than doubled in the past six months as compared with the same time last year, the Aruban Labour Department said over the weekend. It said Oranjestad population bureau figures set the number of emigrants in the past six months at 1,398 as against 578 in the same period last year. Aruba has a population of 60,000. The closure of the Exxon corporation's oil refinery was the main reason for the exodus, a Labour Department spokesman said. Unemployment among the island's population has climbed to over 40 percent and was expected to increase further, he said. The population bureau spokesman said it was not yet known where the Arubans were going, but assumed destinations were the Netherlands and other Antillean islands. [Text]
[The Hague ANP NEWS BULLETIN in English 22 Apr 85 p 5]

CSO: 3200/39

24 May 1985

NICARAGUA

AMBASSADOR TO MEXICO INTERVIEWED ON DIALOGUE, CONTRAS

PA070423 Mexico City EL DIA in Spanish 29 Apr 85 p 15

[Report on interview with Nicaraguan Ambassador to Mexico Edmundo Jarquin by Frida Modak--date and place not given]

[Text] Now that the U.S. Congress has rejected President Reagan's proposal on Nicaragua, it is worth asking what will happen now, what was the meaning of that parliamentary vote, what will the Sandinist government do now, and what is the background to all these developments.

It was within this framework that EL DIA's interview with Nicaraguan ambassador to Mexico, Edmundo Jarquin, took place. Jarquin discussed the scope of the policy of principles of his country, which he defined as "the vanguard line" enduring "most of the cost of the defense of the survival, with a minimum of autonomy and independence, of all the Latin American countries."

This policy of principles cannot be modified because it goes beyond Nicaragua's national interests; it is "a responsibility we have vis-a-vis Latin America and the international community."

In the diplomat's view, the parliamentary rejection of Reagan's initiative is a very important step, but only a step "toward generating better conditions to find a political and negotiated solution to the confrontation that the United States has created with Nicaragua, with consequences for all regional problems." And it is only a step because according to the Reagan administration, the setback suffered does not modify the objectives of its policy--"the overthrow of the Sandinist Government"--and it will insist in its request for resources to achieve those objectives "by means of military force." It has already been announced that \$28 million will be requested for the counterrevolution in 1986.

A Negative Precedent

Although the rejection of Reagan's proposal was an important step, Jarquin feels that a regrettable precedent was established: The congress of a country publicly discussing whether it will allocate resources to wage war on a sovereign nation, with a legitimately established government with which it maintains diplomatic relations. While noting that this "is unprecedented in

the contemporary history of U.S. relations with Latin America" and that it has extraordinary negative consequences, he added that during the debate, positions were consolidated in the press, the public opinion, and the U.S. Congress, which "tend to check the Reagan administration's marked tendency to conduct its international policy without any consideration for the principles and norms of international law." He feels that to the extent that this stance is maintained, those sectors might push the Reagan administration toward the development of a different behavior.

However, other developments occurred during the parliamentary debate which are unacceptable from the standpoint of the basic principles of international law, particularly inter-American law, for instance, the conditions set in connection with Nicaragua's domestic policy which were included in the original initiative and even in the more liberal and progressive amendments. And it is in this connection that Jarquin stresses his government's positions.

What is at Stake?

In the Contadora negotiations, in the bilateral negotiations with the United States, and in the discussion over aid to the counterrevolution, regarding "Nicaragua's position, not only are our national interests being considered in the strict sense of the word, but also our great responsibility concerning Latin America and the international community," the ambassador affirms.

"It is not Nicaraguan interests alone that are at stake in this confrontation with the United States, but also interests vital to the rest of Latin America. If we should accept any of the U.S. impositions, which are harmful to such essential principles for national survival as nonintervention and self-determination, not only would we be doing ourselves great harm, we would be also be inflicting irreparable damage on other Latin American nations and the international community."

This policy of principles, Jarquin declares, is "absolutely unchangeable." He adds: "Should we modify that we would see the true face of the U.S. goals: reimposing something similar to what we had to bear for decades, such as Somozism. And that precedent would affect all other Latin American countries."

The Real Problem

Asked whether the problem for the United States lies only in Nicaragua, Jarquin replied:

"That is most important. Suddenly, you hear it said that there would not be so many problems with the United States if the Nicaraguan revolution did not exist. That is basically wrong. If it weren't for Nicaraguan revolution--where the United States is testing principles that do not belong to any government, which do not even belong to this generation but to four generations of Latin Americans--the United States would already be operating directly in the internal affairs of our countries, in the economic order as well as political systems, trying to modify them to conform to U.S. taste, pleasure and objectives.

"If the United States were not being confronted with Nicaragua on such basic matters as those noted above, such as the principles of nonintervention and self-determination, it would now be trying, for example, to change foreign investment structures to respond to the interests of their transnationals. They would be trying in all these countries to provide personal and political power to those sectors responding to U.S. interests. They would be trying to eliminate all the laws protecting the natural resources of most of these countries.

"So Nicaragua is not the cause of the problem. On the contrary, we are the line of vanguard, bearing the biggest share of the cost of defending the survival, with a minimum of autonomy and independence, of all Latin American countries."

The Counterrevolution

Jarquín added: These same considerations on principles explain why "we will not hold talks with the counterrevolutionary groups under any circumstances. The counterrevolution is not an internal social or political phenomenon. That is why we describe them as a mercenary army; they were created by the United States to implement a policy of pressure and aggression against Nicaragua."

He stressed that if Washington withdraws its aid to the Nicaraguan Democratic Forces, FDN, this organization would disappear in a matter of weeks. To support his words, he gave the following reasoning: Why is it that the level of the attacks--the largest conventional war in Latin America in half a century--is fundamentally that of a border conflict? Because it lacks social and political support in the country. The Nicaraguan counterrevolutionaries, the so-called "contras," are not basically an internal social and political phenomenon; they represent a foreign policy against Nicaragua."

He added: "If we agreed to hold talks with them we would not be solving an internal problem, we would merely be trying--falsely--to find a solution to the problem of a confrontation, of a foreign attack against our country and we would be accepting the violation with, with impunity, of the nonintervention and self-determination principles. If this were an internal political problem, we would not feel as limited in our scope of action. However, this is a problem related to international politics and we have a responsibility toward other countries whose viability as nations depends on these basic principles.

"In other words, no Latin American country should support, become involved in, or advocate the U.S. initiative calling for a dialogue with the counterrevolution because this would be inevitably opening the doors through which the United States would try to impose internal solutions.

"We are not against dialogue 'per se': The problem is who should be the interlocutor and where should talks take place. We cannot hold talks with the counterrevolutionary groups armed by the United States because it is not a matter of national reconciliation; it is a problem of international politics that, as I said, is not due to an internal political and social phenomenon

but to a group organized, financed, supported, and directed by a foreign country, by a foreign power. What is at stake in the dialogue proposed by the United States is not Nicaragua's internal reconciliation or the problem of democracy. What is at stake is the Nicaraguan people's right to self-determination.

"Therefore, I would like to stress that we are not against dialogue 'per se,' and that we are in favor of dialogue with the appropriate interlocutor and in the appropriate scenario. The appropriate interlocutor to solve the conflict is the United States, which should return to Manzanillo because it is that country that is arming, organizing, and directing the attacks against Nicaragua. The appropriate scenario is strict adherence to the nonintervention and self-determination principles."

Regarding the internal dialogue, Jarquin recalled that his government has implemented several initiatives, including the elections held last November in which the forces that respond to U.S. interests decided not to participate on their own. These same forces have now joined the counterrevolutionary groups, as is the case of Arturo Cruz and Pedro Joaquin Chamorro. Another government initiative has been the amnesty, which is still in effect, that permits the rebels to incorporate themselves into economic and political life. In addition, broad consultations are taking place with all of the political sectors at the National Assembly.

Regarding Nicaragua's future steps, the ambassador said the country will continue to adhere strictly to international law and that it will make every effort to guarantee the advance of the Contadora negotiating process. He stressed that they are implementing the commitments made on 27 February regarding the departure of the foreign military advisers and suspending purchases of new offensive weapons systems. This indicates the unilateral implementation of the basic aspects of the Contadora Peace Document.

In the constitutional debate, the commitments made during the electoral process and in the summit of political parties held before and after the elections will continue to be fulfilled in order to establish basic democratic institutions. This explains the release of 107 noteworthy political prisoners in order to contribute to national conciliation and dialogue. In the same way, the constitution will establish periodic elections, and municipal elections will be held before the end of the current presidential term. The constitution will also establish periodic elections, and municipal elections will be held before the end of the current presidential term. The constitution will also establish political pluralism at all levels, a mixed economy, and international non-alignment.

"In the fulfillment of the commitments made to our people," Jarquin added, "we are also implementing one of the basic chapters of the Contadora Document dealing with a democratization process. In this way Nicaragua is clearing the path for the signing of the Contadora Document." The agreement reached with the rebel organization MISURASATA [Miskito, Sumu, and Rama Sandinist Unity] falls within that same framework. The agreement includes an end to offensive actions and the extension of the unlimited amnesty, since the original decree expires in July.

The U.S. president justifies his policy by saying that Nicaragua must be forced to act in a specific manner. Are the announced measures due to U.S. pressures? The ambassador replied:

"This must be viewed in various contexts. We have repeatedly told the countries affected by the situation, basically the Latin Americans, that they must not view the steps that Nicaragua has taken to contribute to an understanding in the Central American problems and with regard to the United States as an indication that Reagan's policy of pressures has led to concessions on the part of Nicaragua. Instead, they must view them as actions that can lead them and especially the Contadora Group countries that can lead them and especially the Contadora Group countries to exert pressure on the United States and the other Central American nations to take corresponding steps or to adopt reciprocal positions. We feel that this is a possibility that has not been pursued. It is an element that has not been brought to the fore, with the importance it has."

The diplomat added that President Ortega stated beforehand that if Reagan's proposal was rejected, Nicaragua would feel it was morally obligated before the U.S. people and Congress to take sensitive steps in the areas of greatest concern involving security in the region. Therefore, with the rejection of the proposal, 107 political prisoners were released and the partial departure of foreign military advisers will be carried out. This has strengthened the position of the U.S. congressmen who believe that Nicaragua, like any other country, is more sensitive to respectful treatment than to military pressure. In his view this weakens Reagan's argument, because if at some moment the pressure has dropped it is now, when funds for the counterrevolutionaries have not been allocated.

The Capacity to Resist Surpasses U.S. Capacity to Intervene

Having established the position of Nicaraguan principles and their unchangeable nature, it is reasonable to suppose that the United States will uphold its policy and, in that respect, to ask what is the Nicaraguans' capacity for resistance. To avoid "quantitative considerations," Jarquin feels that the real issue is to ask "what alternative is there for stability and security in Nicaragua other than Sandinism." In other words, at what cost will the United States or Reagan succeed in their objective to generate an alternate government. In reply to that question, he notes that if the United States occupies ports and cities through the direct use of force, "it does not have the slightest possibility of governing with stability and security."

Considering the worst of the alternatives from the Nicaraguan viewpoint and the best from the U.S. viewpoint, which would be that 10 percent of the Nicaraguan population should resist militarily, "the United States would be facing the worst war ever waged on this continent because we are speaking of 30,000 to 40,000 armed men." However, he points out, that this is not the case because "the Nicaraguan people's capacity for military resistance surpasses the U.S. capacity to intervene and constitute a stable government. That is the goal of the Reagan policy." Jarquin adds that the Reagan administration relies on another alternative: to wear them out economically and

socially, and thus undermine them politically. Although the cost of the aggression has resulted in some erosion, the test of the November elections demonstrated that the people suffer, regret, and denounce such costs; are critically aware of the mistakes made, but refuse to change their political option; and are aware of the main cause of the problem. That gives them a capacity, not infinite but large, for resistance "which goes--with all certainly--way beyond the period of existence of the Reagan administration."

Jarquín maintains that in turn the United States is weakening its Central American allies with its war policy because the uncertainty created in Costa Rica, El Salvador, and Honduras means a flight of capital that exceeds all the cash it can give them. Even the reserves in Guatemala, which had no financial problems, have disappeared and that is not the government's fault but the fault of U.S. policy in the region. Nicaragua has a more stable system that which has allowed it flexibility in international negotiations. Therefore, he concludes, the question is not "how much we can resist U.S. pressure, but also how much the U.S. allies can resist its policy in the region."

The USSR and Cuba

Finally, we ask if the trip to the USSR by President Ortega reinforces the U.S. claim that Nicaragua follows the policies designed by Moscow and Havana. The ambassador replied that the trip, which was planned before the U.S. Congress debate, "basically responds to the search for economic cooperation which the United States is blocking from multilateral and bilateral sources."

He stresses that the Reagan administration follows a war of attrition to wear them out economically, also hoping to wear them out politically, and then tries to question the search in Latin America, Europe, or the socialist bloc for the economic cooperation they require to survive. President Ortega's trip, he reiterates, obeys that need "and I want this to be very clear."

CSO: 3248/355

NICARAGUA

NEW WAGE SCALE

PA302126 Managua Radio Noticias in Spanish 1200 GMT 30 Apr 85

[Text] We have a list of the new salaries that go into effect tomorrow, 1 May. First we will read the salaries in effect until today, followed by the new salaries.

Category	Old Salary	New Salary
I	3,000 cordobas	4,500 cordobas
II	3,600 cordobas	5,400 cordobas
III	4,200 cordobas	6,300 cordobas
IV	4,800 cordobas	7,200 cordobas
V	5,400 cordobas	8,100 cordobas
VI	6,000 cordobas	9,000 cordobas
VII	6,700 cordobas	9,900 cordobas
VIII	7,600 cordobas	10,800 cordobas
IX	8,600 cordobas	11,800 cordobas
X	9,100 cordobas	12,700 cordobas
XI	9,600 cordobas	13,600 cordobas
XIII [as heard]	10,600 cordobas	15,400 cordobas
XIV	11,100 cordobas	16,300 cordobas
XV	11,600 cordobas	17,200 cordobas
XVI	12,000 cordobas	18,100 cordobas
XVII	12,600 cordobas	18,100 cordobas [figure as heard]
XVIII	13,200 cordobas	19,000 cordobas
XIX	13,800 cordobas	19,900 cordobas
XX	14,400 cordobas	20,800 cordobas
XXI	15,000 cordobas	21,700 cordobas
XXII	15,600 cordobas	22,600 cordobas
XXIII	16,200 cordobas	23,500 cordobas

CSO: 3248/355

NICARAGUA

SECURITY OFFICIAL FLEES, SAYS FAMILY ARRESTED

PA302025 San Jose LA NACION (NICARAGUA HOY) in Spanish 20 Apr 85 pp 1C, 3C

[Text] An important official of the Nicaraguan General Directorate of State Security (DGSE) has told NICARAGUA HOY that after learning of his desertion and flight to Costa Rica, the Sandinist regime arrested his relatives and is holding them as hostages until he returns to Nicaragua.

He is Ricardo Tiffer Alduvin, who held very important posts in the feared political police of the Managua regime. Tiffer was national chief of the Struggle Against Organizations and Bands, groups which naturally include the FDN [Nicaraguan Democratic Force] and ARDE [Democratic Revolutionary Alliance]. He has also been Interior Ministry delegate in the Rio San Juan area and deputy chief and chief of the 4th Region.

Due to fundamental ideological and moral disagreements with Sandinism, Tiffer was arrested twice by the DGSE, in August 1983 and September 1984. On the latter occasion he was held under arrest for 4 months.

Tiffer finally reached the conclusion that he had to resign, but when he submitted his resignation it was turned down. As a result of this, he decided to leave the country secretly and arrived in Costa Rica at 0100 on 1 March.

A few days later, the DGSE arrested his former wife, Xilena Pasquier, and his current wife, Ileana Bravo Artola, who is a permanent resident of the United States and has a 3-year-old son who is a U.S. citizen.

The two women have been held incommunicado in the secret jails of the DGSE since 29 March.

Recently a Costa Rican citizen who became interested in the case traveled to Nicaragua with his Costa Rican wife and when they entered the country they were arrested and taken to DGSE jails, where they were submitted to harsh questioning as to Tiffer Aldubin's whereabouts.

They are Rolando Jimenez Vallejos and Lesvia Pasquier de Jimenez, who were released a few days later, after the Costa Rican Foreign Ministry protested their arbitrary arrest.

Last week the couple held a news conference in San Jose to report that they saw the two hostages in a deplorable situation.

When they returned to their country, the Costa Ricans brought a threatening message from the DGSE for Ricardo Tiffer Aldubin. According to the message, "if he speaks, his relatives will not be released and a way will be found to eliminate him."

Tiffer Aldubin's children with his first wife are being held under house arrest in Masaya, in a house located across the street from the home of Dr Hernaldo Zuniga Montenegro, a Supreme Court justice.

Tiffer Aldubin said that Interior Minister Tomas Borge, Deputy Minister Luis Carrion, and DGSE Chief Lenin Cerna will be responsible for any physical or moral harm that comes to his relatives while they are hostages of the FSLN.

The former DGSE official asked the news media to become concerned about the release of his relatives, who are illegally, arbitrarily, and immorally being held hostage by a supposedly constitutional government.

He also issued an appeal to human rights organizations to become involved in this dramatic case.

He said that his youngest son, Jean Carlos Tiffer Artola, has been totally abandoned due to his mother's arrest and that he does not know under what conditions he is living.

Since his son is a U.S. citizen and his wife is a permanent U.S. resident, Tiffer hopes that the U.S. Embassy in Managua will become concerned about the fate of the child.

CSO: 3248/353

NICARAGUA

INDEPENDENT LABOR LEADERS VIEW WORKERS' ILLS

PA040046 Managua LA PRENSA in Spanish 30 Apr 85 pp 1, 12

[Text] On the eve of 1 May leaders of Nicaraguan labor unions and confederations commented that three essential problems affect the country's working class.

Rolando Velasquez, a leader of the General Confederation of Independent Workers (CGTI), indicated that "the increase in the cost of living is unbearable for workers who are not happy over the wage increase, because that measure simply does not solve their families' economic problems."

Regarding unemployment, Velasquez added, "I think the most job openings are in the government. However, one sees that the workers prefer to work independently so as not to suffer the pressures exerted in the ministries and other government institutions."

"The state offers jobs, but in exchange it wants the workers to participate in revolutionary vigilance and fulfill political tasks that have become impositions contrary to human rights," he indicated.

"We are against the partisan nature that the state wants to give to the Nicaraguan worker. We advocate true union freedom," he said.

Rafael Rodriguez, a leader of the Union of Carpenters, Masons, Joiners, and Related Workers (SCASS), said that "the state is the worst employer because in many aspects it does not fulfill its obligations to the workers."

It has been learned that, unlike previous years when a rally was held, the CST [Sandinist Central Organization of Workers] has not planned any event.

The CST had invited the various worker confederations to celebrate 1 May with a unified event, but this idea was rejected by the labor confederations.

Giving an example to support his statement, Rodriguez noted that Managua municipality does not pay the workers on time, and the workers' protests about this have not been heeded.

"The workers of the department of drains and maintenance are supposed to receive their wages every 14 days, but they receive them with noticeable delays," he said.

Regarding political pressures, he said that "some time ago the workers of the SCASS obtained from the Ministry of Housing and Human Settlements, MINVAH, lots to build their homes, but when they tried to obtain the material they were told they needed a letter of recommendation from the CDS [Sandinist Defense Committee] before receiving help."

Jose Eugenio Membreno, a leader of the central Organization of Nicaraguan Workers [CTN], and Ramon Luna of the Confederation for Trade Union Unity (CUS) said that "the FSLN's nonfulfillment of the original government program has caused a deep crisis in the working class."

"The original plan that the FSLN announced to the world to obtain support and to seize power spoke of political pluralism, a mixed economy, union freedom, respect for human rights, press freedom, and so many other beautiful things that the government no longer wants to remember," the leaders said.

They said that the increase in the cost of living has reached disproportionate levels and that the wage readjustments do not resolve the situation. The increase in the cost of living is almost 300 percent, while the wages do not reach such a rate.

Roberto Moreno, a leader of the Central Organization of Trade Union Action and Unity [CAUS], harshly criticized the government's labor policy. He said that "the workers have their hands tied due to the government's absolute power, exercised through the Labor Ministry."

He indicated that the working class is suffering grave problems: the war, the high cost of living, low wages, and other factors that worsen the situation.

"The increase in the cost of living is more than 200 percent, and the wage hike hardly reaches even 80 percent," the CAUS leader stressed.

On 1 May the country's various independent labor and union confederations are planning to hold events in which they will emphasize the Nicaraguan workers' spirit of unity and struggle to defend their social achievements.

The CTN and the CUS have announced that they plan to hold a solemn mass celebrated by Cardinal Miguel Obando y Bravo at 1100 in El Calvario church in Managua.

CTN and CUS leaders expressed optimism about this celebration, and they said that they expect massive participation by the working people, who will later march to the site of the assassination of leader Luis Medrano in the area of the Colonial Theater.

"On this 1 May we will reaffirm our firm determination to continue struggling for better wages, less bureaucracy, no more increases in food prices, control over speculation, union freedom, and respect for the workers' social achievements," the invitation from those organizations stated.

The GGTI said that tomorrow, 1 May, there will be a rally in its headquarters on the road to Masaya and that it hopes its members will attend.

The CAUS will also celebrate international labor day. It has scheduled a rally at 1100 in which Roberto Moreno, Eli Altamirano, and Allan Zambrana will speak.

NICARAGUA

BRIEFS

AGRICULTURAL MINISTRY CHANGES--Silvio Lanuza has been appointed director of economy of the Agricultural Development and Agrarian Reform Ministry [MIDINRA], replacing Roberto Gutierrez, who has been appointed executive vice president of the Central Bank. Julio Martinez Aguirre has been appointed director of MIDINRA area 2, replacing Samuel Lao Vega, who died in an accident. [Summary] [Managua Radio Sandino in Spanish 1830 GMT 16 Apr 85 PA]

NETHERLANDS COOPERATION--Managua (ANN)--Gysbert Boss, coordinator of cooperation of the Netherlands, has said that the Netherlands Government will maintain its annual level of cooperation with development projects in Nicaragua in 1985. Boss indicated that since 1979 his country has maintained a flow of financial and technical cooperation worth approximately \$8.6 million. The cooperation is directed toward agricultural and health programs. He also said that cooperation for the improvement of Nicaraguan ports, mainly the port of Corinto, will be maintained. [Summary] [Managua BARRICADA in Spanish 30 Apr 85 p 5 PA]

SUPREME COURT PRESIDENT--Acting President Sergio Ramirez Mercado will swear in Alejandro Serrano Caldera, the new Supreme Court president, this afternoon. [Excerpt] [Managua Radio Sandino in Spanish 1930 GMT 6 May 85 PA]

CSO: 3248/355

PERU

APRA'S GARCIA OUTLINES INTENDED POLICIES

PM090951 Stockholm DAGENS NYHETER in Swedish 3 May 85 p 16

[Undated interview in Lima with Peruvian President-elect Alan Garcia by Johnny Lundstrom: "The Countryside Tops APRA's List of Reforms"]

[Text] Lima--To be and yet not be Peru's president. That is Alan Garcia's dilemma at present.

His social democratically oriented APRA [American Popular Revolutionary Alliance] Party won almost half the votes in the parliamentary election. Only a few percent were needed for the election of the president. But in practice he is considered to be already elected.

While waiting for the constitutional theorists to reach agreement Alan Garcia has established a provisional seat of government in his luxury apartment in the Miraflores suburb of Lima.

He receives ministers, political rivals, ambassadors, telephone calls from the world's presidents--and DAGENS NYHETER.

Alan Garcia, 35, is a captivating and eloquent career politician who is burning with eagerness to tackle the country's immediate problems. His party has waited long for power. APRA has never before been in government despite the fact that it is the oldest party in the country. Every time it has been close to the office of president the military has put in its saber-rattling veto.

"I am fully confident that the armed forces will respect our democratic constitution. We will continue to work together with the military," Alan Garcia said, despite the fact that persistent rumors of coups always seem to be in circulation in Peru. He even says "no" to undertaking any changes within the military hierarchy designed to preempt a coup d'etat.

One-fourth of the country's annual budget goes in military spending. APRA will leave this sum untouched in next year's budget, but intends to propose a disarmament plan for the whole of Latin America and in this way bring down the country's own defense costs.

But the die-hard Sendera Luminoso guerrillas also cost the state a fair amount, both in counterinsurgency activities and high voltage power lines. Sendero in its turn finances its attacks--according to outgoing President Belaunde--with money from Sweden and Scandinavia, among other sources.

"I do not think that terrorists with their acts of violence need foreign support to use the dynamite they steal from our mines and arms they steal from our police," Alan Garcia said.

"Terrorism is a sign of the desperation which many rural inhabitants feel. Particularly those young people who cannot see any way out of the poverty and then seek a fanatical and destructive alternative."

APRA intends to continue the military struggle against Sendero. At the same time it will try to tackle the causes of the growth of the guerrilla movement by improving the economic and social situation in the war-torn areas.

Amnesty International has drawn attention to the fact that more than 1,000 adults and children have disappeared since the government involved its security forces in fighting the guerrillas in 1983. There are also countless testimonies to torture and police violence.

APRA upholds human rights and demands that the law's protection of the individual be respected by the police. But no "Argentinian trials" are to be expected, and Alan Garcia avoids the subject with the words:

"We deal with such things within the country.

"But," he went on, "in the alleged cases of disappearances we will bring the truth to light. There must be an explanation."

In the first phase of APRA's 5-year mandate the party will give priority to reforms which promote the development of rural areas. When agriculture is on its feet the party will gradually tackle public projects in the slum towns to provide jobs for the large, underworked labor market.

"Agriculture is the weakest sector in Peru," Garcia said. "That is where you can see foreign influence most clearly since we import much food.

"In the past we produced corn; now we consume imported flour instead. The result is that hundreds of thousands of hectares are lying fallow.

"Secondly, we will protect domestic industry from competing imports. Industry uses only one-third of its capacity and is in addition centralized to the capital. We want to move industry out into the rural areas and tie it more closely to agriculture.

"With the aid of education we will spread the cooperative idea to both producers and consumers. We believe in a society with several different models of industrial and commercial concerns, but we intend to support the work of solidarity between people, which is what cooperatives are about," Alan Garcia said.

By reducing the burden of foreign debts APRA will find the money to stimulate the development of rural areas and domestic production. Garcia has already challenged the IMF. He has said "no" to the conditions the fund demands of Peru--low import duties, no subsidies, and restraint in state spending. These conditions run directly contrary to APRA's nationalistic policies.

"We are prepared to allow Peru to become a Latin American example of how one defends the principle of economic independence," Alan Garcia said determinedly, and described the fund as "a survival of colonialism."

He does not accept the IMF as the lenders' mouthpiece. Instead he wants to negotiate directly with the banks and governments which have loaned money to Peru. The terms include reduced import tariffs in the developed world for Peruvian products and favorable repayment terms.

Alan Garcia also backs a call to the Latin American nations to act together on issues to do with foreign loans. The other day the Colombian president rang Garcia's apartment in Miraflores and said that he supports Garcia's stance. Perhaps more people will be in touch.

Unconfirmed newspaper headlines have announced in the last few days that Sendero's leader, Abimael Guzman, is in Lima to sabotage the election. So the last question to the election victor is a natural one: What would Alan Garcia say to Abimael Guzman if he were to meet him on the street one day?

"I'm not so sure Abimael is alive. Also, I don't think he would talk to me.

"But if we imagine that we did bump into each other in the town I would encourage him to change his position and realize that democracy and the democratic elections are a road toward change.

"The Scandinavian countries are not superior to Peru. The only difference is that they have used democracy to make changes and improvements--and that is something we also need to learn."

In Peru, people are not spoiled by democracy. When on Peru's national day, 28 July, APRA assumes power it will be the first time in more than 70 years that a democratically appointed president hands over to another popularly elected leader.

CSO: 3348/657

PERU

BRIEFS

JAPAN DONATES CLEANING EQUIPMENT--The Japanese Government donated to Peru \$3.5 million (about 28 billion sols) for the purchase of city cleaning equipment for Lima. The non-refundable cooperation agreement was signed at noon yesterday by the president of the Council of Ministers and foreign minister Luis Percovich Roca, and by the Japanese charge d'affaires, Masuru Ito. Also present were the Mayor of Lima, Alfonso Barrantes Lingan, and the former mayor, Eduardo Orrego, who brought about the donation. The Japanese Government representative said the purpose of the contribution is to provide the Municipality of Lima with equipment and spares so as to eliminate garbage, especially in the northern cone. He said diverse vehicles and equipment may be purchased, such as dump trucks, containers, trucks, tractors, front-end loaders, compacters, barrows, spare parts and radio communication terminals. He said the Japanese Government aid is further proof of its interest in collaboration in the development of Peru. /Excerpt/ /Lima EL COMERCIO in Spanish 26 Mar 85 p A-1/ 12856

1985 COTTON ACREAGE--The cotton crops this year will be considerably bigger than the 1984 crops as 50,000 hectares more than last year have been sown in the valleys of the north and the central coast. This statement was made by engineer Raul Chau Ayon, general manager of the National Committee of Cotton Producers of the National Agricultural Organization. He said that in the 1983-84 season, in the central coast area from the Santa to Acari, 65,000 hectares of the Tanguis variety were sown while the total this year is 90,000 hectares, so that a production of 1.5 million quintals is expected. In the north, he said, prospects are also favorable. He stated that in Piura only 20,000 hectares were sown in 1983, but that for the coming harvest a record production of Pima is expected because the area shown is 45,000 hectares. In Lambayeque and San Martin provinces, with 2,500 and 5,000 hectares respectively sown to the 'Del cerro' and 'Aspera' varieties, large crops are also foreseen this year, Chau Ayon said. /Text/ /Lima EL COMERCIO in Spanish 27 Mar 85 p A-1/ 12856

SIMA LAUNCHES TANKER--This Saturday the new tanker 'Isabel Barreto' will be launched from the slipway of the Marine Industrial Service /Sima/, where it was built. The ship carries the name of the legendary colonial governor's wife who headed a fleet and discovered the Carolina Islands, the Marianas, Guam, Serpana and Mindanao. The ceremony will be presided by the President of the Republic. Mrs. Violeta Correa de Belaunde will christen the brand new vessel, which has a displacement of 25,000 tons. The ship has a length of 171 meters and 25 meters beam. The shipowner is the Petrolera Transoceanica company, a subsidiary of Petro-Peru. After the launch-~~ing ceremony~~ the keel will be laid for Project 33, a floating dock and the commemorative plaque will be signed by the President.
/Excerpt/ /Lima EL COMERCIO in Spanish 28 Mar 85 p A-3/ 12856

FOREIGN PRIVATE AGENCIES REGISTRATION--Private, international, technical co-operation agencies operating in our country will have to register at the Ministry of Foreign Relations. The registration deadline is 15 (?June). The agencies must provide all the documents listed in Decree No 0007-85 for registration at the Foreign Ministry Department of International Technical and Financial Cooperation. [Text] [Lima Radio del Pacifico in Spanish 1300 GMT 7 May 85 PY]

CSO: 3348/657

ST CHRISTOPHER-NEVIS

BRIEFS

ELECTION PETITION DENIAL--In the High Court of Justice in the Federation of St Kitts and Nevis, an Election Petition was heard this week by the Honourable Mr Justice Satrohan Singh, who ruled that the purported Election Petition before the Court was not properly presented by law and ordered that it be struck out with costs to the respondents. The petition was brought by E. St. John Payne the defeated Labour Candidate for Constituency 7 in the June 1984 General Elections. It sought to challenge the validity of the return of the Honourable FitzRoy Jones as the duly elected candidate for that constituency. Mr Jones received 871 votes to Mr Payne's 806 and there were five (5) spoilt ballots. [Excerpt] [Basseterre THE DEMOCRAT in English 23 Mar 85 p 12]

TAIWAN DELEGATION--A four-member of Investment Mission from the Republic of China, led by C. H. Yen, Director of Marketing Research Department of China External Trade Development Council, will make a three-day visit to St Kitts and Nevis. The mission will arrive on Tuesday, 26 March. During the visit, the team will call on Government Officials and meet with business leaders in St Kitts and Nevis. They will also visit some manufacturing factories in St Kitts. Before St Kitts and Nevis, the mission has made a visit to St Vincent, St Lucia, and Dominica. The mission will leave on Thursday, 28 March. [Text] [Basseterre THE DEMOCRAT in English 23 Mar 85 p 11]

CSO: 3298/665

24 May 1985

ST VINCENT AND THE GRENADINES

BRIEFS

UNEMPLOYMENT FIGURES--There are over 18,000 people out of jobs in this country. This was revealed today by Labour Commissioner Jeffery Venner. Venner was speaking to members of the Public Service Union at a Trade Union seminar last week. According to Venner the unemployment rate stands at about 30 percent of the labour force and there are many others who are underemployed or working less than 15 hours per week. He said that things are getting worse since many school leavers will not find work. He said that the industrialization by invitation approach to development does not deal adequately with the chronic unemployment experienced in St Vincent and other Caribbean islands. The Labour Commissioner also pointed out the inadequacy of the existing labor law. He said that the labour department gets little or no support from the law in dealing with complaints from employees. The seminar organised by the Public Service Union is sponsored by the Postal Telegraph and Telephone internationally. The seminar ended last Friday. [Text] [Kingstown THE VINCENTIAN in English 29 Mar 85 p 6]

MANPOWER SURVEY--The Government of St Vincent and the Grenadines in conjunction with the Canadian International Development Agency: Canada Training Awards Programme is undertaking a pilot project in Manpower Planning. It will evaluate the existing human resources in the country with a view to compiling a register of skills, forecasting labour requirements for the future, and designing measures to ensure that human resource skills necessary are available when they are required. The evaluation will be limited to persons whose skills fall under the categories professional, administrative and technical. It will encompass both the public and private sectors. Enumerators will soon be gathering the information through the use of a Manpower Survey Form and the public is asked to cooperate. The project began on Monday, 18 March, and is expected to run for a three-month period. [Text] [Kingstown THE VINCENTIAN in English 29 Mar 85 p 6]

CSO: 3298/665

24 May 1985

TRINIDAD AND TOBAGO

CUDJOE DEFENDS PRINCIPLES OF NEW WORKING PEOPLE'S PARTY

Port-of-Spain EXPRESS in English 4 May 85 p 21

[Article by Selwyn R. Cudjoe]

[Text]

IT IS DIFFICULT to keep quiet when one sees so many simplistic banalities bandied about the place by reporters without even a trace of shame. It is even more alarming when persons whose responsibility it is to guide and to inform public discussion act in such an anti-intellectual, backward and red-baiting manner.

It is as if, simply to throw up words such as Marxism, socialism, "lunatic Marxist fringe" and so on is enough to scare the public out of its wits and to warn each potential politician to be on guard. In fact, the implicit notion is that if you ever wish to speak to the public you must never use those code words or you may "descend" into some level of diabolicalness, as one commentator was wont to put it.

I refer to Raoul Pantin's "Back to Doctor Politics" and Wayne Brown's "Once More to the Left".

The difficulties with these commentators, over and beyond any kind of deliberate mis-reading or mis-cognition which they display, is the obvious ignorance of these writers in matters such as these and the narrowness of their intellectual, theoretical and analytical base.

The proposed Working People's Party (WPP) released an 8-page document on 18 March 1985 for public discussion. It listed a resolution, 29 principles and a "Social Challenge". We made it very clear in our release that this document, the results of over one year's work, was meant for public discussion.

We made no fantastic claims except that by comparison we felt that we had offered a fundamental departure from the present political formations to the degree that such a thing is possibly within the context of social development.

In our document, we advocate the creation of a socialist self-managed democracy, one that is self-responsible and self-respecting. What, may I ask, is of the lunatic fringe or ridiculous about such a position, except that it may not have been understood by these so-called commentators. In-vective, they feel, is the only dignified manner in which to respond.

For if these commentators do not remember (or understand the implications of the following positions) I must remind them that the People's National Movement (PNM) rejected "liberal capitalism" in its Chaguaramas Declaration, the Organisation for National Reconstruction (ONR) rejected "liberal capitalism" in its Statement of Principles and the Alliance in its Plans and Programmes rejected "liberal capitalism" by inference as the answer to our problems.

And, for all of those people who choose to remember, together with all of the leaders of the Asian and African world, Dr Williams, in "The People's Charter: A Statement of Fundamental Principles" declared to the world that the PNM "uncompromisingly repudiates imperialism, colonialism and racialism in every shape". (PNM Major Party Documents p.25). Today, we still find monopoly state capitalism and private monopoly capitalism in our midst. Was Dr Williams and the PNM for real or were they only joking when they made the assertions above?

The problem, however, with all of these political formations is that even though they say that they reject imperialism (imperialism being the highest form of capitalism, be it liberal or otherwise), they find themselves in a vise because none of them is/was willing to recognise or to accept the fact that socialism is the only next and logical step in our course of social development. For, as Kwame Nkrumah, a former president of Ghana and leader of Bandung, recognised some eight years after Ghana had attained its independence: "the major part of the less developed world ... chose and are choosing the socialist road to national progress. There are, in addition, countries like India where the political system, though patterned on the bourgeois democracies of capitalism, nevertheless proclaims socialism as the socio-economic objective". (Neo-Colonialism, p.53).

Thus, the PNM opted for "self-reliance" (which even ANR Robinson seems to be echoing today) drawing upon Tanzania's Arusha Declaration (1967) which Julius Nyerere later rejected in favour of the universal applicability of Marxism-Leninism. Thus was self-reliance outmoded even before it was applied.

ONR has opted for what they call "the politics of conscience" which cannot be taken too seriously because it lacks any concrete specificity and does not possess any ontological or epistemological base. The Alliance has not really identified a position even though it talks about capturing the commanding heights of the economy. State capitalism on the right or state bureaucracy on the left is not conducive to the well-being of the working people.

In our Statement of Principles we have tried to be very clear. We say that our objective is "the creation of a just and moral society". We say that we want to establish a society "in which there is genuine equality and social justice; in which one is rewarded for what one knows and does rather than who one knows; in which one is respected for the quality of one's virtues and intellect rather than the amount of material goods one possesses".

We assert that "a society should be measured by the quality of its mind and spirit, both individual and collective, and the positions that it enunciates and practices". Finally, in this context, we say that we wish to achieve these objectives through the creation of a socialist self-managed democracy, through the establishment of "a genuinely working people's philosophy that speaks to and reflects their specific historical and cultural needs". This, in essence, are the first six principles of our party. To what, may I ask, do Raoul Pantin and Wayne Brown object and on what grounds?

Pantin, in his petulantly childish comment, argues that our Statement of

Principles announced to the populace "just what we've been waiting for all these donkey years. The salvation of the masses (is) at hand, at last". He continues: "Unfortunately, the only thing strikingly new about the Working People's Party is its political ignorance, dressed up in the dead-weight language of intellectual narcissism".

What precisely constitutes our "political ignorance" he does not say, unless he is referring to our continuation of what he terms a return to "the theory of 'doctor politics'". This, to Pantin's mind, constitutes a refutation of all that we said.

Let us, however, examine Pantin's tour de force. In what part of our document did we declare that "the salvation of the masses is at hand"? This surely must be Pantin's imagination or his reliance on some cliché which he must have heard in some distant moment of the past.

And how about his coup de grace; his mark of verbal flourish: the bit about "dead weight of intellectual narcissism". It has to be a quintessential Pantinism. What does it really mean? How does the intellect look back into itself in self-love or in erotic gratification and declare itself a wonder to behold?

Is that all that Pantin understands about the language of the text, particularly at a time when the precision of language is so important for the explication of social and political discourse. More importantly, Pantin ought to show what are those manifestations of "intellectual narcissism" and why they are so objectionable in the first place.

Perhaps Pantin can suggest some lightweight "narcissism" which may be more appropriate to our discussion. I await his contributions if he is so inclined.

Whether Pantin wishes us good or evil, the WPP will be successful if we truly understand our historical moment and grasp it in all of its contradictions, its uncertainties and its insecurities.

Our success in the end does not depend on whether Pantin agrees with us or not, it has more to do with the quality and intensity of our work, the clarity of our vision and whether or not we speak to the aspirations and hopes of our people. They may accept or reject our position. This is the burden of a democracy. It is, nevertheless, our historic responsibility to offer them our position.

TRINIDAD AND TOBAGO

ANALYSIS OF NAR-ONR RELATIONS, CHANGES AGAINST PNM

Port-of-Spain EXPRESS in English 2 May 85 p 8

[Commentary by Harry Partap: "Rhetoric and Politicians"]

[Text]

RHETORIC is one of the more serious problems affecting politicians of all shades of opinion and ideologies. It breathes a kind of complacency that undermines the political consciousness of people. But if that consciousness is stimulated it will lead to the downfall of the politician.

And if the National Alliance for Reconstruction (NAR) is not careful, the rhetoric of Organisation for National Reconstruction (ONR) deputy political leader Surujrattan Rambachan could lull it into a false sense of security beneficial only to the ruling PNM. No one disputes the right of political leaders to boost the morale of their supporters but too often the euphoria is taken for granted.

Rambachan told a public meeting in Pt Fortin last Friday night that the NAR could capture 21 seats in the 36-seat Parliament, making it the likely government after 1986. That was the same projection made in 1981 and five elections before that. Rambachan did not say anything new.

But there is a distinct possibility that this prediction of seats could come true. However, at present, it is a mere pipe dream because neither the Alliance nor the ONR is anywhere near a compromise agreement. There is no doubt at all that the NAR will stand as good a chance as the PNM to capture state power after 1986. But Rambachan will have to convince his brothers and sisters in the ONR about that.

The hidden agenda of either the ONR or the Alliance beating the PNM at the polls separately is futile as it is foolish. The only alternative to total unity of the opposition is a PNM win in 1986.

Rambachan should know, and Opposition leader Basdeo Panday has already conceded, that an election can only be won if the political machinery is in place. On what political machinery is Rambachan basing the 21-seat victory in 1986? If it is the political machinery of 1981, then the prediction counts for nothing. Because in a three-way fight come 1986, the Alliance may lose more seats to the PNM with the ONR coming a close second in those won by the ruling party.

Since 1956, the Opposition has been thriving on the rhetoric of political strength but they were constantly kept out of the corridors of power. There was a lot of robber talk but no real action to forge a strong challenge to the PNM. Pardon me, gentlemen of the NAR, but you are falling into the same old trap of talking victory but not working towards it.

How can the ONR deputy political leader checklist 21 seats for victory when the same ONR is cancelling contact meetings with the joint groups and stalling, perhaps deliberately, the unity process? It is my humble opinion that the ONR has more to gain by settling quickly the unity talks. The Alliance has a built-in constituency which neither the ONR nor the PNM could challenge separately. So, too, the PNM has a constituency which neither the ONR nor the Alliance could challenge alone.

So where does this leave the ONR? It leaves them with strong support in perhaps all the constituencies but not enough to wrest them from either the PNM or Alliance.

Neither the Alliance nor the ONR can convince the electorate that if Prime Minister George Chambers calls an election later today the unity apparatus can fall into place. The tardiness of the ONR in the unity process cannot be excused. Political observers continue to commend Panday for bending backwards to accommodate the splinter opposition groups in a national organisation to challenge the PNM. Panday has given major concessions in order to keep the unity talks moving.

History will pass judgment on that when the time comes. At the present time the questions of leadership, allocation of seats and a common policy, symbol and strategy are to be settled. The talk is that a convention to settle the question of leadership had been scheduled for the end of June. At this convention 500 delegates, each from the ONR and the Alliance (comprising the United Labour Front, the Democratic Action Congress and Tapia), will meet to democratically elect the new leader.

The impression is that the Alliance will back A.N.R. Robinson for the leadership while the ONR will have its political leader Karl Hudson-Phillips nominated. Panday, who is the one leader in the NAR with a real claim to leadership, quietly steps out of the contest because his Alliance colleagues said that the country would not accept an Indian prime minister. The party which accuses the PNM of inciting racial arguments to win support is in itself using racial arguments to keep Panday out of the contest. Politics is really a strange game!

However, the interesting thing about this is that all units in the NAR have agreed to give total support to the elected leader regardless of the party he comes from. This is all well and good but the NAR must give in precise terms an undertaking that the party which produces the leader would not dominate the political machinery. There must be safeguards in the NAR constitution to prevent a dictatorship of this type emerging in the event the NAR captures state power.

It is understood that the ONR had its own position paper on the allocation of seats. It would be presumptuous for the ONR to claim seats with Alliance incumbency in the same way it would be unfair for the Alliance to hold steadfastly to a claim for the marginal seats. Obviously the compromise would have to be in the marginal seats.

As long as the incumbency principle holds there should be no cause for serious disagreement on the question of the allocation of seats. And, according to sources from both political groupings, there is no disagreement over the common policy. But, the ONR seems determined to use its own steel beam symbol in the election. That is a cause for serious concern, since it betrays the unity process. The NAR cannot face the electorate with separate symbols. It is confusing to the voters and could weaken the confidence in the party.

Rambachan talks of 21 seats in the bag, making it appear that the political machinery to accomplish this was already in place. Far from it. The NAR is as fluid as the rhetoric. And if Chambers really wanted to wade through the Opposition for a second term as prime minister, he should follow the advice of Rambachan and call an election in July or August. Because the NAR, after some 20 months of negotiations, is still the unborn child of the accommodation marriage forged in 1983.

Both the Tapia and the ULF units have complained about the slow pace of negotiations. Last Friday, while Rambachan was busy "counting the chickens before they were hatched" in Pt Fortin, Opposition chief whip Nizam Mohammed was moaning the road-blocks to the unity talks by the ONR at a public meeting in Gasparillo.

The hour is late and as the late Prime Minister Dr Eric Williams would say, the election may come as a thief in the night. The ONR rhetoric would not help the cause. It is the commitment of both sides to work out the problems through compromise that NAR supporters would want to see.

And if I did not make myself clear ... rhetoric makes a fool of politicians.

TRINIDAD AND TOBAGO

LACK OF TRADE UNION UNITY STRESSED AT MAY DAY RALLY

Port-of-Spain EXPRESS in English 2 May 85 p 3

[Text]

THE lack of unity in the trade union movement was pinpointed as one of the reasons for the current attacks by employers on workers yesterday as the Council of Progressive Trade Unions staged its May Day rally in Port of Spain yesterday.

Cecil Paul, second vice-president of the Oilfields Workers Trade Union, whose representatives made up the majority of the few hundred participants at the Seamen and Waterfront Workers Trade Union hall, said it was a tragedy that there continued to be disunity in the labour movement when employers in the private and public sectors were united "as never before in the history of this country."

Attending the rally were the Transport and Industrial Workers Union, the DEWD Workers National Committee, the Aviation, Communication and Allied Workers Union, the SWWTU and the Bank and General Workers Union.

The BGWU recently dropped out of the CPTU to join with the rival Trinidad and Tobago Labour Congress. Mario Als, second vice-president of the BGWU, said his union was participating in the CPTU

celebrations because the union always participated in events where workers are involved.

Paul asked: "How can there be unity when while some workers are on strike another labour leader says that strike is not the answer?"

He said workers in the country were prepared to put up a resistance to attacks by employers as evident by the strikes by workers at Lever Brothers Ltd and the workers at Republic Bank Ltd, but the division was caused by the petty squabbling of labour leaders.

According to Paul, there continued to be indiscriminate retrenchment when none of the employers have been able to justify retrenchment in economic terms.

"They are not running at a loss but they are retrenching. They are using retrenchment to maximise profits at the expense of workers," Paul said.

TRINIDAD AND TOBAGO

TEXACO SALE FINAL, GOVERNMENT NOW EYEING TESORO

Implications of Sale

Port-of-Spain EXPRESS in English 30 Mar 85 p 1

[Article by Andy Johnson]

[Excerpts]

THE Government would move swiftly but cautiously to rationalise the refining sector and revitalise the land explorations sector of the petroleum industry in the aftermath of today's signing of an agreement by which the state takes control of the assets of Texaco Trinidad Incorporated.

The EXPRESS has been reliably informed that following today's signing of the agreement, "we would want first of all to rationalise the refining sector. We would also be looking seriously at revitalising the land explorations in the petroleum industry," a source said last night, adding that discussions and consultations on this measure would be entered into with the management of the Trinidad-Tesoro Petroleum Company, one of the three major land-based petroleum operations in the country.

The Government has a 50.1 per cent shareholding in Trinidad-Tesoro, and negotiations for the state take-over of the shares held by the Tesoro Corporation have been taking place for almost three years. The matter has remained deadlocked with auditors seeking

to determine the market value of the company's stock.

It was disclosed last night that following today's signing of the agreement, the state would continue negotiations with Texaco for the company's assets in Trinmar, the marine oil enterprise shared jointly with Trinidad-Tesoro and Trintoc. The Government has agreed to pay \$175 million (U.S.) for the Textrin refinery and land operations.

It was also disclosed that while the Government seeks to work out its options for co-ordinating its policy in refining and land explorations, Trintoc will be given the overall caretaker roll on the new oil company, a name for which has not yet been decided upon.

The Trintoc board of directors would be put in charge of what was Texaco Trinidad Inc, with its refinery, tank-farm and head offices in Pointe-a-Pierre. The Trintoc refinery and other land installations are concentrated in Point Fortin. The executive management of the company would, however, remain as is at present, the source said.

With the Texaco deal now closed, and with the Tesoro take-over imminent, the government would now face squarely the issue of the formation of a single National Petroleum Company, legislation for which was enacted since 1969.

Chambers at Signing

Port-of-Spain SUNDAY GUARDIAN in English 31 Mar 85 pp 1, 12

[Article by John Babb]

[Excerpts] Effective today, what formerly was Texaco is now Trintoc.

All the assets and interests acquired from Texaco Trinidad Inc. (Textrin) by the Government for \$454,080,000 (US\$189.2 million) have been vested in the Trinidad and Tobago Oil Company.

As a result, in addition to operations at Point Fortin, Trintoc now assumes full responsibility for the management of the integrated operations at Pointe-a-Pierre.

At yesterday's Whitehall signing of the Heads of Agreement on the Texaco sale, delayed by more than an hour, Prime Minister and Minister of Finance, Mr George Chambers, said he was delighted to advise that approximately one year after the first formal meeting on March 20, 1984, agreement had been reached on the sale and purchase of the following of Textrin's assets and interests:

--The Pointe-a-Pierre refinery with its tugs, jetties, barges, single point mooring and other facilities;

--Texaco's real estate holdings, the land producing assets, the 30 percent interest in the South East Coast Consortium (SECC);

--Texaco's interests in a producing sharing contract in block one and the Belpetco blocks, both in the Gulf of Paria and certain materials, supplies and rights in a natural gas supply contract, all necessary for the continuing operation of the assets purchased.

Mr Chambers said these assets and interests constituted Phase One of the negotiations.

On signing, Textrin was to be paid \$235.2 million (US\$98 million), of which the Government will provide \$174.7 million (US\$72.8 million) and Trintoc \$60.4 million (US\$25.2 million).

The balance of the full purchase price will be paid over the next 10 months in the form of petroleum products at the rate of approximately 9,800 barrels a day.

Textrin has not relinquished all of its holdings. The company will continue to own certain holdings including 33 1/3 percent interest in Trinidad Northern Areas and Trinmar, and its interest in the production sharing contract for Block Six.

Mr Chambers said Phase Two of the negotiations will involve the sale and purchase of those holdings. Agreement, he said, has already been reached on the broad procedures for their valuation.

To former Texaco workers he said there was provision in the agreement for continuity of employment, maintenance of overall terms and conditions of service, preservation of the pensions fund, and no shortfalls in retirement benefits.

But he told former Textrin workers what was required of them now was "the utmost commitment and dedication."

He advised present Trintoc workers to disregard the rumours flying about. "Everything will be done to avoid retrenchment either among the Trintoc or the former Textrin employees," he said. But they must realise that the situation "demands dedication to a common goal."

To the OWTU, Mr Chambers said: "My call to you today is an appeal to your sense of national pride and your oft-repeated declaration that you are prepared to be fully cooperative with our own national oil company."

Manning Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 2 Apr 85 p 1

[Article by Mikey Mahabir]

[Text] San Fernando: Managing Director of Trinidad and Tobago Oil Company Limited (Trintoc), Mr Walton James, yesterday morning moved into the Pointe-a-Pierre refinery and addressed staff members of the company.

Mr Patrick Manning, Minister of Energy and Natural Resources, told newsmen that the Managing Director and Chairman of the Trintoc Board of Directors, Mr Andrew Rose, were due to go into the Pointe-a-Pierre refinery yesterday and were thus unable to attend a scheduled technical meeting held at Trintoc, Point Fortin.

An official of the Pointe-a-Pierre refinery confirmed that Mr James visited the operations and addressed staff members. It was not known whether Mr Rose visited the refinery.

The refinery has been purchased from Texaco by the Trinidad and Tobago Government and has been integrated with the Trintoc refinery at Point Fortin.

Mr Manning made the announcement at a news conference at the Golf Course Club, Point Fortin, after he held a technical meeting with senior personnel from Trintoc.

The Minister referred to the purchase of the Shell refinery, not known as Trintoc, and congratulated all personnel, from management level down, for doing a good job to date in keeping the company operating successfully over the years since 1974.

Mr Manning said that at yesterday's technical meeting they deliberately did not concern themselves with projections for 1985. That he said, would have to be

done by the new Trintoc Board which is soon to be appointed. He said the Board would have to draw up an appropriate programme of work at the level of exploration and production since two refineries--Pointe-a-Pierre and Point Fortin--would now be involved and the board would have to plan in the context of financial resources available to them.

The Minister said he had every confidence that the integrated operations would be run as efficiently as possible in the circumstances and he had no fears whatsoever about the future of the integrated company.

With respect to Trintoc's operations in 1984, the company had initially predicted a figure of 8,500 barrels of oil a day, he said but concluded the year with an average of 8,610 barrels a day, as compared to 8,046 barrels in 1983.

Continued Increase

At the end of 1984 the company had 531 wells on production with 26 percent of those wells flowing, producing at an average of 24 barrels a day per well. Seventy two percent of the wells were pumping and producing at an average of 13 barrels a day per well, and two percent of the wells were on gas lift operations producing at an average of 20 barrels a day per well.

Mr Manning said that the accumulated production of the company to date is 242,000,000 barrels of oil. In respect of gas, the company produced in 1983 at the rate of 20.8 million cubic feet a day, including the production of gas from this marine holdings in Trinmar.

In 1984 that figure fell slightly to 19.4 million cubic feet a day.

The Minister said the company had been projecting a continued increase in oil production up to the year 1989.

Manning on Marketing

Port-of-Spain TRINIDAD GUARDIAN in English 2 Apr 85 p 3

[Article by Mikey Mahabir]

[Text] Mr Patrick Manning, Minister of Energy and Natural Resources, has thrown some light on the question of marketing of petroleum products since Government now owns two refineries--the Pointe-a-Pierre Refinery purchased from Texaco and the Trintoc refinery at Pointe Fortin.

Mr Manning referred to the Caricom meeting held in Trinidad in 1983, and said that it was agreed that marketing of petroleum products at a certain level was guaranteed in the Caribbean.

The Minister was at a news conference held at Trintoc Golf Course Club, Point Fortin, after he held discussions with senior Trintoc personnel in another of his technical meetings with the oil companies.

It was his last meeting with Trintoc as a separate entity since the Pointe-a-Pierre refinery will be integrated into Trintoc.

The integrated companies will continue to be known as the Trinidad and Tobago Oil Company Ltd., (Trintoc), said Mr Manning.

He said that it was in 1983 that they had a meeting in Trinidad and Tobago with Energy Ministers from Caricom countries who were mandated by the Heads of Government, when they met in Montego Bay, to come up with a regional energy action plan. That was done and the plan was endorsed by the Caricom Heads of Government when they met in Trinidad and Tobago.

First Resort

And one of the salient features of that plan was that the plan recognised the designation of Trinidad and Tobago as a supplier of first resort of petroleum products to the extent that the marketing of products is guaranteed in the Caribbean.

Mr Manning said that Exxon closed its refinery in Aruba from Sunday and there was some difficulty being experienced with the Shell refinery in Curacao. He said further that at a recent meeting held in Ecuador, the whole question of the future of off-shore refinery was discussed and discussions were also held about refineries in the Caribbean but that aspect of their discussions was not made public.

Mr Manning made the remarks when questioned about off-shore refineries.

CSO: 3298/566

TRINIDAD AND TOBAGO

GOVERNMENT ASKED TO BAN BARBADOS FISHING FLEET

Port-of-Spain EXPRESS in English 23 Mar 85 p 3

[Text]

GOVERNMENT is being asked to ban a fleet of Barbados fishing boats estimated at about 15 which takes some \$40 million worth of flying fish out of Tobago waters annually.

The call for action against this wholesale poaching was made by Tobago fishermen and businessmen at meetings with officials of the Agricultural Development Bank yesterday and on Thursday to discuss the bank's new thrust into agro-industry in the island.

Fish processing has been identified as one particularly lucrative area for the agro-business, and ADB officials, led by board chairman Andrew McEachrane, promised to make recommendations to the appropriate authorities.

The flying fish season runs for about nine

months, November to July each year. And the waters around Tobago are abundant with them.

Only a week ago, at the prize giving ceremony of the National Petroleum fishing competition in Tobago, Dr Jeff Davidson, Secretary for Agriculture at the Tobago House of Assembly, lamented the fact that the Assembly's plan for a flying fish processing plant had been thwarted by the lack of funds from government, while the Barbados boats "exploit our resources with impunity."

But the ADB had meetings at the Mt Irvine Hotel with businessmen on Thursday evening; and with farmers and fishermen at the Fairfield Complex in Scarborough yesterday gained firm pledges to support any viable venture for fish processing in the island.

CSO: 3298/566

TRINIDAD AND TOBAGO

NEW VOTER REGISTRATION SET TO BEGIN IN MAY

Port-of-Spain TRINIDAD GUARDIAN in English 3 Apr 85 p 1

[Article by Clevon Raphael]

[Text] Elections and Boundaries Commission starts a nationwide complete reregistration of some 800,000 electors next month--the first time such an exercise is being carried out since 1961.

The project, which is expected to cost some \$3.6 million and employ 1,200 itinerant electoral officers, will provide a more functional identification card, something which official sources say would almost stamp out the possibility of illegal immigrants living in Trinidad and Tobago being able to obtain the all important ID card.

The new ID card would give information such as blood type of the holder and an expiry date.

Expanding on the illegal immigrant angle, an official source said yesterday:

"Obviously, we cannot give exact information on how the new system would ferret out the illegal immigrant who would try to obtain an identification card.

"All that can be said on this score is that the questions which the IROs will be asking in their house-to-house survey will be more concise and thorough than in the past.

"It is no secret that these persons are assisted in obtaining their ID cards by certain commissioners of affidavits. The Police, the courts and Immigration Department, I am sure, know who these people are but that kind of offence is difficult to successfully prosecute.

"This new ID card, in fact, the methods to be employed for them to be issued, will make it almost impossible for unqualified persons to get one...."

It would take approximately one year for the entire process to be completed which includes distribution of the new ID card.

It is also hoped the card would be used for the next general elections, constitutionally due in 1986.

When the IRO visits a home--he or she would be walking with proper identification and would be working also on weekends; the old ID card would be asked for birth certificates among other things.

Computerised

A temporary or provisional registration certificate would be issued and the existing ID card taken. Sometime later the holder would be called in to collect the new card or it would be delivered to the elector.

The whole project would be computerised.

The source added:

"It is proposed that the new card would be valid for at least ten years and it will be issued in the first instance free of charge. But to replace one a nominal figure will be charged.

"Forms for employment as IROs are available at any of the Commission's offices, its headquarters or at labour exchanges run by the Ministry of Labour, Social Security and Cooperatives, and the Commission's head office at Salvatori's Building in Port-of-Spain.

"It must be stressed that this is a national effort taking in electors in both Trinidad and in Tobago."

Political parties will be called in and the necessity for their cooperation would be emphasised, which they could demonstrate by urging their members and supporters to cooperate fully with the IROs.

"After all, it will be to the benefit of these parties that electors and potential electors are properly registered to be able to cast their vote on election day," the official stated.

CSO: 3298/566

24 May 1985

TRINIDAD AND TOBAGO

ANALYSIS FOCUS ON LEADERSHIP QUESTION IN NAR

Allocation of Seats

Port-of-Spain SUNDAY GUARDIAN in English 31 Mar 85 p 6

[Article by Peter Prosper]

[Text]

ELECTIONS are often won not merely by strategy and surges of sympathy, but more often by the perception of the voting population about the capacity of the party and its leadership to take decisions if even they be difficult ones and to stand by them, or if proven bad decisions to have the humility to admit thus.

The National Alliance for Reconstruction (ONR and the National Alliance — DAC, ULF, Tapia) finds itself faced with having to take some difficult decisions fairly early in 1985, if it hopes that it now holds out to the population can result in election victory in 1986. Foremost among such difficult decisions is that of leadership of the NAR.

This issue cannot and should not be prolonged by the NAR for too long into 1985 and in fact it should set April 1985 as a deadline since the person chosen would then have to knit the various seemingly independent fragments into a unified structure and then turn such into machinery with the capacity to win the 1986 general election.

From all indications there are two contestants for the post of leader — A.N.R. Robinson and K.T. Hudson-Phillips. Basdeo Panday appears to have eliminated himself by his own choice, favouring, he says, however is chosen by public acclaim or by whatever other means. It would seem that the real reason has to do with Panday's well perceived view that the "black" population — especially in the East-West Corridor — is unready for an Indian Prime Minister.

A.N.R. Robinson as a potential leader of NAR seems to be a popular public acclaim and this for three reasons: His struggle in Tobago; his morale and psychological boosting victory over the PNM; and a carefully planned and executed public relations campaign to make him leader.

Robinson as a national leader, at least someone aspiring for the position of Prime Minister, has to be carefully viewed and analysed. But Robinson's political history is one of disaster in terms of coalitions and the capacity to lead a coalition.

That election year when he called a no-vote was one of the best opportunities for the opposition who sacrificed all to see it thrown away. Can Robinson deny that he never consulted his party colleagues on the question of a no-vote in 1971?

HONEST TALK

Robinson succeeds in Tobago yes, for a different political culture exists.

And what of Karl Hudson-Phillips? At least there is one plus for Karl — he speaks straight and in so doing creates a lot of dislike for himself. Being honest and straightforward in politics is not a very easy thing to accomplish. This society is afraid of straight, honest talk. This society is afraid of decisiveness. But in actuality isn't this what Trinidad and Tobago needs?

It is unfortunate that our population does not care to see beyond the tip of its nose. The very man who it was claimed would truncate people's freedom in 1981 is the very man who since then and even before joined hands with the National Land Tenants and Ratepayers Association (NLTRA) to defend the cause of Shairon Mohammed; joined hands with Panday to defend Prakash Singh; with Humphrey to defend the latter against the state; and very recently won justice for freedom of the Press and freedom of speech in T&T against TTT. Karl has been a defender of democracy.

But Karl has his shortcomings. They seem on close examination to be shortcomings derived from his stand on issues and his forthrightness and straight talk. A close and detailed examination of Hudson-Phillips makes it very difficult to find fault with his principles.

Who will be leader? In a "federation of parties" what mechanism could be justly utilised to achieve the best leadership? These are challenges that I have no doubt the NAR can meet and overcome but if I were to choose a leader, while at the same time ascribing roles to the other leaders, I would place my vote on Hudson-Phillips.

The second area of problems with which the NAR would be concerned has to do with the allocation of seats. The National Alliance has already said that incumbency would be its first policy. This means that the two Tobago seats are covered by the LAC, with which decision I have no contrary view. In Trinidad it would mean that Naparima, Oropouche, Siparia, Couva North, Couva South, Chaguanas, Tabaquite and St. Augustine would remain with the

ONR

I think all parties agree this also except that a considerable number would agree that three of those constituencies have not been serviced properly by their respective Members of Parliament. Naparima held by Dr. Lawrence Hanson, Couva held by Trevor Sudirman and Tabaquite by Nazim Mohammed -- the first by virtue of the fact that he lives too far from Naparima, the second by virtue of the fact that he has had personal problems with Pandey and the third by virtue of the fact that having recognised his failing to serve properly is intent on bartering with Dr. Irvington Williams and the ONR for Nariva.

The suggestion might be to make Mohammed a senator rather than a MP with Dr. Sanadeo Basdeo and Horan with Ally Lequay or Dr. Martin Sam-path, both of whom live in the South and are hard workers with representative experience. In fact had it not been for the constituencies in these areas the MPs would have had an even worse showing than is normally perceived.

The seats that might be distributed are as follows: French Guiana, Point Fortin, Diego Martin West, Couva North, Central, Port of Spain North, South and East, St. Ann's East and West, L'Escaillon, Maricao, San Juan, St. Joseph, Tunapuna, Arima, Arima, Toco, Maricao, Nariva, Caroni East, San Fernando West and East, Pointe-a-Pierre, Princes Town, Oropouche Mayaro.

Of the above certain seats would be settled very easily. On the basis of performance the National Alliance would have a little hesitation in conceding to the ONR as follows:

French Guiana (ONR 3,147) and which Apex-Fyzabad and is held by Lathaniel Arthur Henderson at local government level.

St. Joseph (ONR 3,533, Tapa 44)
Bartolomeo (ONR 1,072, DAC 106)
Diego Martin (ONR 4,420, Tapa 28)
Port of Spain North (ONR 3,770, Tapa 14)
Arima (ONR 3,420, Tapa 10)
San Fernando West (ONR 4,511, DAC 40)
San Fernando East (ONR 3,043, Tapa 64)
Point Fortin (ONR 3,043, DAC 40)
The other seats are held by the ONR.

ONR/ULF/ULF

The ONR would do well to ponder the above and two of the seats that are being contested. The traditional base of the ONR is the South and Nariva. It is

suggested that Caroni East be given to the ULF and Nariva to the ONR. In the former the ONR got 1,733 votes to ULF's 4,531, while in the latter the ONR got 3,322 to the DAC's 3,098. Pointe-a-Pierre is also going to pose a problem but on a similar basis ONR got 3,403 and ULF 3,168. ONR should get Pointe-a-Pierre.

This leaves the East-West Corridor and Princes Town, where in the former it is clear that the ONR is a real challenge to the PNM and NAR should therefore be very careful in its allocation. Princes Town on a vote basis would go to the ULF. What does this mean? It means that only one party in the Federation is taking risks, viz the ONR. Without a vote being cast the National Alliance would end up with the following seats on the basis of a combined vote:

Siparia, Oropouche, Naparima, Couva North, St. Augustine, Tobago East, Tobago West, Couva South, Chaguanas, Caroni East, Princess Town and Tabaquite.

The ONR would end up with Nariva and Pointe-a-Pierre. The risk is therefore to the ONR. However, if the ONR were to persuade its voters to vote other than the National Alliance what would happen? On the basis of votes cast in 1981 the following picture emerges:

Seat	ONR	PNM	ULF/ DAC	ONR & PNM
St. Augustine	2,108	4,279	5,525	6,387
Couva South	2,003	4,383	6,460	6,386
Naparima	2,369	3,665	6,296	6,034
Princes Town	2,459	4,591	6,888	7,050
Tabaquite	2,444	4,725	5,709	7,169
Oropouche	4,072	3,079	5,161	7,151
Caroni East	1,733	5,636	4,531	7,369
Chaguanas	2,148	3,752	5,789	5,960

Of the 12 seats the ULF would be defeated outright in six with two being marginal. There is no doubt that the ONR holds a balance of power which it would not be foolish to forget and I am sure may use it very conveniently in its negotiation over seats. It is this balance of power that most likely the leader of the ONR alluded to in his last convention address. What is even more interesting is that in traditionally base East Indian constituencies the ONR was able to attract such a large percentage of voters which allows it to hold a balance of power.

The NAR would do well to ponder the above.

Port-of-Spain SUNDAY EXPRESS in English 31 Mar 85 p 15

[Article by Ria Taitt]

[Text]

THE MECHANISM for choosing a leader for the National Alliance for Reconstruction (NAR) has been set.

Basdeo Panday, leader of the Opposition and prominent member in the NAR, was optimistic as he stated, "There is no leadership crisis. The document I have just handed to my secretary is the constitution of the NAR and that sets up the mechanism for choosing a leader," he said.

Seated in a high-backed chair at the Office of the Leader of the Opposition, Panday looked composed, significantly so. Peter Fung Kee Fung had left Tapia and the NAR, claiming that it was in a state of paralysis. Michael Harris and Christian Lasalle followed him.

"I don't think Fung Kee Fung's leaving the organisation (NAR) had any effect at all. His position in the NAR was not high enough to make waves. Secondly, Tapia has never been viewed as a party with mass support. I say that kindly, of course, because Tapia made tremendous intellectual contribution."

Beau Tewarie, leader of the Tapia, and a member of the NAR, felt that Fung Kee Fung's departure, initially, must have raised some doubts about the organisation, "but much of the damage has now been undone."

He, too, appeared calm. "By now, people are clear that the NAR is proceeding to bring itself into being; we have set a timetable, the constitution is finished, the mechanism for choosing a leader is set." Tewarie was speaking from his office at the University of the West Indies, where he lectures

Both Panday and Tewarie dismissed any ideas of the party being paralysed, emphasising that the process of bringing together two parties — the Alliance and the ONR (Organisation for National Reconstruction) was not a fly-by-night affair.

"These two political parties that have fought each other in elections, it takes time for them to iron out themselves," said Panday. He then added, "though my personal feeling is that we could have moved faster."

Coming together for the sake of political convenience (Opposition unity) as took place in the Local Elections of 1981 and becoming a single party (national unity) are stages apart, Tewarie explained. Tewarie, who had been very anxious to settle the leadership issue, felt that things were under control.

Charting a different course, the leader of the NAR will not be all-powerful, or what Panday describes as a "maximum" leader. Panday, who functions as leader of the Alliance, but not of the NAR, spoke of the

practice of one-man rule.

"The country seems to know nothing else. History, however, has shown us that the maximum leader doesn't necessarily solve problems. It is not good for the country. Whosoever is the leader of the NAR, he will have the support of people who have been leaders in their own right and that would make for a strong government as opposed to a strong leader."

Referring to coalition, Panday stated that in many instances, different people chaired the meetings. "There is no fight to sit in this chair," he said, indicating the seat at the head of the table.

"Chambers's problem right now is that the country expects him to become a maximum leader and he does not seem to have the capacity for the role."

Tewarie elaborated on these statements: "We are moving to a system where we have competing centres of political power within the party. The political leader will have to acknowledge this and, in a statesmanlike fashion, satisfy these competing interests. But he will ultimately have to appeal to national interests in order to gain support for himself and party."

Panday, who had consciously avoided highlighting the leadership issue in the last year, explained his reasons: "Our political opponents kept raising the issue because they felt it was a chink in the armour. We didn't want to fuel their

fire. We didn't think that the selection of a leader was a problem because a constitution was being drafted to work that out."

The constitution rules out any motion of an indiscriminate amalgamation of parties as Fung Kee Fung has advocated. "One doesn't lay down blueprints and place people in them. One gets people together in discussion and out of that discussion emerges a political system that is acceptable to everybody. You don't really lay down the rules," said Panday.

Tewarie described it as a short-cut. "The very reason that we are organising our forces against the PNM is because we are opposed to the policies of the PNM — the economic waste, corruption. The question of PNM supporters, however, is another issue. The more people who support us, the more national we

Both men considered the thought of including the PNM in the move for national unity highly ironical, since they believed the PNM strove for unity.

Panday commented that one of the legacies of colonialism was that it made various sectors of the population antagonistic and suspicious of one another. "Williams under the PNM had a tremendous opportunity to heal these wounds. Instead the PNM sought to remain in power but by dividing rather than by uniting. The political system encourages divi-

siveness. After every election we have to say, 'let us heal the wounds.'

"Lloyd Best had the best way of putting it: Only country he knows in which everybody feels second-class. The NAR carries political process further by reducing that feeling of alienation."

Tewarie linked this malaise to the economic state. "This has prevented the government from asking the people to make the kinds of sacrifices that were necessary for our development as a nation. It is not that the PNM has not had plans for this country, it is not that they have not had good advice, it is that they have been unable to implement anything for the long-term benefit of the nation."

"So 50 billion dollars or more were spent in

eight years and we are on the brink of bankruptcy, on the verge of asking for international funds to keep us going — an unforgiveable crime," he said, shaking his head.

If people hold this view, then principles rather than race would determine the elections. Panday believed that race was becoming a less significant factor.

"What has tended to happen is that people live quite harmoniously, but racial tensions would peak every five years. In 1971, however, because there was a no-vote campaign, it didn't peak for a long time and this had a very mellowing effect on society."

"From 1976, class and other issues have emerged as strong elements, until in 1983 —

local government elections — race played no part at all. For 1986 PNM will try to use it, because that is the only thing they have got, but I doubt it will work," said Panday.

Tewarie considered 1986 as the best chance that any alternative government ever had of removing the government. "This government has had enough time, almost 30 years, for people to see that if indeed we can pull ourselves out of this mess, these are not the people to do it. People have had enough time to see that change cannot be made from within the PNM," he said, referring to 1981 cry to 'Give Georgie a chance.'

"Although Mr Chambers has tried to do many things — make ministers live up to their ministerial responsibilities, increase his influence within the party, he is still trapped within the culture of the PNM. I believe that the emergence of Chambers, his attempts to give the party a new life, has given the population the perception that a genuine break must be made if

things are to improve."

There are still matters to be worked out in the NAR, for example the division of seats and the selection of candidates, but the organisation, according to Panday and Tewarie, is well on the way to becoming a unified body.

"The NAR has two important features which the PNM lacks — openness and honesty."

Tewarie: "The only obstacle to NAR is the people in the NAR themselves — if they quarrel and fight and to allow personal, sectional, party interests to dominate the discussions, then the country will lose trust in NAR as hope. If they are perceived as putting the nation first, I believe the country will be willing to take a chance to make a break with the PNM and the past and to give the NAR an option to run the country."

Does Panday feel that there are there any factors working against the acceptance of any one of the individual leaders being accepted?

TRINIDAD AND TOBAGO

PNM YOUTH LEAGUE OFFICIAL SEES NO FOLLOWING FOR ONR

Port-of-Spain TRINIDAD GUARDIAN in English 4 Apr 85 p 3

[Text]

ORGANISATION for National Reconstruction (ONR) does not have a youth following hence the failure of the ONR's youth arm to clash with the Youth League of the ruling People's National Movement (PNM) in a debate.

This was the claim of the PNM's Youth Officer (Male), Mr. Morris Marshall, before leaving yesterday for Jamaica to attend the International Year of the Youth Conference which opens this week.

Mr. Marshall's salvo was the latest in a verbal battle between both groups following the failure of the ONR to send a representative to discuss with the PNM and the National Joint Action Committee (NJAC) youth arm, a format for a debate, the topic of which was the performances of the PNM as a government since 1956.

Half hour before the meeting was carded to get underway, the ONR telephoned the Balisier House headquarters of the PNM to say it could not send a representative.

The PNM Youth League called off the debate as it had no guarantee that the ONR would have turned up for it.

Replying, the ONR youth arm said the PNM Youth League was "grand-charging" and it was not serious about the debate.

Incensed about the "grand-charge" allegation, Mr. Marshall, who is leading an eight-man PNM Youth League delegation at the Jamaica meeting, said:

"Can you imagine we being not serious when we issued the challenge for the debate? The ONR was the first to respond since last September. You mean to say that since then they had no time to discuss it?"

"We went about preparing ourselves in a very positive way for this debate. We discussed it with our Political Leader (Prime Minister George Chambers), we had lengthy rap sessions with prospective debaters on our side and carried out a lot of research. You call that not being serious," he asked.

The party's Youth Officer (Female) Mrs. Joslyn McLeod-Smith, added indignantly:

"I know what is wrong...the ONR's youth league comprises only Councillors Jenson Fox, Stanley John and ex-tennis player Winston 'Reds' Mulligan. They don't have a youth following so they deliberately backed out the debate at the last moment.

"That debate was only part of a full programme of activities we have drawn up for 1985 and after spending all that time preparing it we cannot spend any more time...we have other projects to work on for 1985."

CSO: 3298/567

TRINIDAD AND TOBAGO

CHAMBERS' ADDRESS TO BUSINESSMEN ON STATE OF ECONOMY

Port-of-Spain TRINIDAD GUARDIAN in English 4,5,8 Apr 85

[Address by Prime Minister George Chambers at the 106th annual general meeting of the Trinidad and Tobago Chamber of Industry and Commerce]

[4 Apr 85 p 9]

[Text]

I WELCOME this opportunity to address the business community of Trinidad and Tobago including those who for one reason or another are not present today.

The fact that I have accepted your invitation to do so on the occasion of the 106th annual general meeting of the Chamber reflects my conviction which I have previously stated that 1985 may well be for us the most crucial year of the adjustment process.

It is important, therefore, to share with you the Government's perceptions of the country's economic situation.

PERTINENT

This is not to say that I have not attempted previously to focus the attention of the national community on the pertinent issues, but I consider it vital to the effort that is required of all of us so that there be no misconceptions.

Almost imperceptibly over the last four decades or so most nations have witnessed, in one way or another, some erosion of their sovereignty.

This is all the more pertinent to the position of small countries which are now virtually no more than spectators in the unfolding drama on the stage of international relations.

In our own case the Government has sought to discharge its responsibilities in this sphere in a quiet and purposeful manner conscious of what could reasonably be achieved.

In that regard membership on the Security Council provides us with an opportunity to strengthen the voices of reason in the councils of the world.

Let us not delude ourselves, however, as to the influence we can have on international events, even though we concede to no one in our steadfastness to the cause of peace and justice among nations and among all peoples.

BRIEF PERIOD

There was a brief period not so long ago when countries such as ours dared to aspire to influence the international economic order.

To date, these hopes have been frustrated and even though that objective remains valid, we must recognise the regrettable fact that the economic fortunes of our countries continue to be largely outside our control.

Trinidad and Tobago has always been highly exposed to the vagaries of change in the wider world, particularly in respect of developments in the economy.

The Government has sought to reduce the degree of exposure to external events, for example, by fostering localisation of certain key sectors of the economy as a means of ensuring that decisions taken by major enterprises in those sectors reflect national priorities more so than those of foreigners.

The rationale of this policy was fully argued in the Third Five Year Development Plan — 1969-73 — and

was implemented to some extent in the banking, insurance, communications and oil and gas sectors during the decade of the 1970s.

Let me make it clear at once that this policy in no way entails prohibition of foreign investment in the economy but revolves around attainment of such a measure of local ownership that the needs of Trinidad and Tobago take precedence over other considerations in the use of our national resources.

VULNERABLE

However, interdependence among national economies continues to increase with the result that small countries such as Trinidad and Tobago have become even more vulnerable to events in the world economy.

On occasion, external developments may be to our great benefit but, equally, they can be seriously adverse. I shall illustrate this theme by briefly analysing the effects of the three so-called oil price shocks — in 1973-74, 1979-80 and 1983-84.

The view is held in some quarters that the benefit of the windfall income which we enjoyed in the period 1974-81 was entirely due to events outside our control.

Clearly, we had nothing to do with the rise in the price of crude oil. However, the extent of the gains which accrued to the nation was a direct result of prompt action taken by the Government to ensure that the nation and not the oil

companies was the major beneficiary.

While an audience such as the membership of the Chamber of Industry and Commerce must be familiar with the broad policies introduced by the Government in 1974 and 1980 with respect to the taxation of enterprises engaged in the oil industry, it may be useful to recapitulate the specific measures:

- The introduction of a system of tax reference prices for valuation of output;
- an increase in the rate of corporation tax;
- the separation of production, refining and marketing activities for tax purposes;
- the imposition of a production levy; and,
- the amendment of the system of tax reference prices and the consequential introduction of the supplemental petroleum tax.

With the benefit of hindsight, there is no gainsaying that the increase in oil prices was a mixed blessing for Trinidad and Tobago.

Let me focus on three aspects of our experience which have largely influenced the current economic situation. These are:

- The sudden influx of a large amount of additional income to the nation;
- the concerted attempt by the Government to remedy the deficiency in the country's social and economic infrastructure; and,
- the dramatic rise in expectation throughout the population, geared particularly to conspicuous consumption.

It bears repeating that the increase in national income was not a process of gradual fruition of sustained effort by the entire national community.

As a people, we did not deny ourselves the pleasure of current consumption in order to save and invest a high proportion of our income in enhancing the capital stock of the nation.

Neither did we recognise the need to change our work habits and attitudes at all levels of the society so

as to achieve competitiveness at home and abroad by means of a high level of productivity.

On the contrary, we had the unique experience of being able in a short period of time to raise both consumption and investment substantially without increasing — indeed, some have argued, while lowering — our productivity.

SEGMENTS

At the same time Government took steps to ensure that all segments of the population benefited from the growth in national income.

That statement brooks no argument. It must be appreciated that even as late as 1981, the consensus of informed opinion worldwide was that the price of oil in real terms would rise throughout the decade of the 1980s.

That was the background, therefore, against which the recurrent budget was increased to accommodate the cost of a wide range of subsidies and both direct and indirect taxes were reduced.

The Government was nonetheless mindful of the imperative to invest a portion of the nation's windfall income in order to create a capacity for maintaining an acceptable level of living for the population.

To this end, funds were set aside to be used for specific development programmes and projects. I again draw attention to the publication "Accounting for the Petrodollar, 1973-1983" in which a detailed statement of the uses to which these funds were put has been provided for the information of the national community.

I would have thought that this document which was originally laid in Parliament and which has been on sale to the public since 1977 at a nominal price would have become compulsory reading for all those interested in the use of the petrodollars.

The dynamic pace of economic activity and consequent competition for scarce, non-financial resources made it increasingly difficult to accomplish all that we had set out to achieve with the best results.

[Text]

The over-heating of the construction industry perhaps best exemplifies the dislocation which accompanied efforts to improve social and economic infrastructure such as housing, roads, telephones, electricity, water supply, schools, health facilities, public transport — including inter-island travel — all at the same time.

It is evident, however, that we made much progress in satisfying the needs of the population in a variety of areas.

But, ladies and gentlemen, our capacity to maintain that momentum has been significantly curtailed by developments in the international oil industry.

The fact is that the nominal price of oil has actually fallen and current forecasts point to a high probability of further declines.

This is in stark contrast to the projections which were the conventional wisdom as recently as three or four years ago.

The factors which have caused this change in the fortunes of oil are as much outside of our control as those which resulted in the major increases ten years ago.

The consequential action which the country, that is to say the Government and the entire national community, must take is clearly not as welcome as in the situation following the first two oil price shocks.

This third oil price shock could reverse many of the gains of which I have spoken. Its consequences are not palatable but must be squarely faced.

The task before us is, working together, to conceive and implement policies designed to contain their effect at the lowest possible cost to the nation and to stimulate economic recovery.

For its part, the Government has recognised and acted upon the twin imperatives of

- stabilising the economy in the short run so that the population adjusts to living within its reduced means; and,

- creating opportunities for the expansion of production on a sustainable basis.

The first order of business is to reduce demand, that is to say, to curtail spending and particularly so on imported goods and services.

The budgets over the last four years have progressively and cumulatively sought to achieve this by measures such as the reintroduction of purchase taxes and duties on some items, the imposition of levies on other specified goods and services, and the lowering of subsidies and increases in the tariffs charged by certain utilities.

The Government itself has reduced its spending. This applies not only to its capital budget, but has also been extended to recurrent expenditure which in 1984 fell for the first time in fifteen years.

The budgets have also included measures designed to generate new economic activity, particularly geared to export markets. These measures include capital allowances for the modernisation of plant and equipment; a regime of enhanced export incentives; the creation of an institutional framework for export development; incentives for further exploration and production of oil in both marine and land areas; increased emphasis on the development of tourism and the restatement of Government's positive stance toward foreign investment.

It should be unnecessary in speaking to an audience such as this to say that I derive no pleasure in having to exercise the difficult options and, in so doing, to impose hard decisions.

INHERENT

But, we should all recognise that we have a responsibility to take the decisions which are required at this time, and to live with them, in the long term interests of our children and our children's children.

On occasion, public comments are made that there is conflict among these policy measures, and perhaps

I ought to explain that such apparent conflict is not a sign of inconsistency on the part of the Government.

It is inherent in the simultaneous and inescapable pursuit of short term and long term goals.

For example, while the Government is fostering the development of production for exports which is a medium to long-term objective, it must, for the time being, depress domestic demand with consequential shrinkage of the local market base which is seen as so important by potential exporters.

By the same token, even though local manufacturers are largely dependent on import inputs, yet it is necessary to ration the use of our foreign exchange for the purchase of these inputs in some cases.

For our part we are, and continue to be, conscious of the need to minimise the areas of conflict.

An evaluation of the effectiveness of the measures will reveal that so far progress has been made in lowering demand and in stimulating production in certain key sectors.

In respect of the latter, production of oil, fertilisers, petrochemicals and domestic foodstuffs increased in 1984.

In this period too, the overall level of demand has been reduced as evidenced by the fact that the fiscal deficit has been cut in half since 1982 and merchandise imports fell by almost one-third in 1984 alone.

Of course, some of these developments have had an adverse effect on the trading community with concomitant impact on levels of employment. I submit that our reaction in this situation should not be negative or should we be unduly alarmed.

True enough, there is a cost involved in terms of short-time working, retrenchment, losses of earnings, profits and investment.

But, I question whether the cost is, or should be, as high as it appears to be.

Certainly, there is reason to believe that retrenchment is too often seen as the easy solution when other remedies such as wage restraint, inventory management and pricing policy are available alternatives.

[Text]

I venture to suggest that not all the difficulties being experienced by the business community stem from or are directly attributable to the economic downturn, and I assure you that the trade union leadership is sufficiently sophisticated to recognise this.

Ladies and gentlemen, it might serve us well not to allow some of the more positive elements in the current economic situation to go unnoticed.

For example, the decline in overall demand has contributed to a lowering of the rate of inflation to such an extent that prices in general are no more than nine per cent higher than a year ago.

EVIDENCE

There is evidence too, of a return to more normal conditions in areas in which distortions in the market place had been most pronounced such as transportation, the availability of motor cars, construction costs, real estate prices and above all the price of domestically produced food.

I have sought to convey to you in a summary form what the response of the Government has been to the challenge of declining real income.

I am sure you will concur that the private sector has an important role to play in managing our economic revival.

High on its agenda should be a concerted drive to penetrate export markets, particularly those available to us under the Caribbean Basin Initiative and the Lome Convention.

In the process those who have developed marketing expertise as representatives of foreign suppliers should now utilise this resource to promote the interests of our local manufacturers in foreign markets.

May I suggest that another important priority of immediate concern is the preservation of business activity at levels which facilitate job security and also contribute meaningfully to employment creation.

In this regard workers and workers' representatives should recognise that it is in their interest to moderate their expectations in the collective bargaining process.

ARTICULATE

That having been said, it is not for the Government to articulate a detailed agenda for your action.

I would like to think that individual firms and private sector organisations have been addressing themselves to business strategies aimed at taking advantage of the opportunities of diversification of their activities.

In this connection, it is represented that uncertainty about Government's plans and decisions concerning certain outstanding issues contributes to a weakening of confidence in the future on the part of the business community.

The Government is of the view that matters affecting vital national interests are not best negotiated in the full glare of publicity.

There is an appropriate time when information can advantageously be shared with the national community, but that judgment has to be left to those responsible for the negotiations.

In this spirit, let me take this opportunity to brief you on recent developments in the oil and financial sectors with respect to:

- The purchase of Texaco's assets in Trinidad and Tobago;
- the offer for sale by Tesoro Petroleum Corporation of its interest in Trinidad-Tesoro; and,
- the amendment of the Central Bank Act.

As you are aware, the Government has already officially announced that the signing of the Heads of Agreement for the transfer and vesting in the Government of Trinidad and Tobago of certain Texaco's assets in Trinidad and Tobago will take place on Saturday, March 30.

On that occasion I shall be giving a full account to the nation and I ask you to be patient until then.

NO PROGRESS

In the case of the Tesoro offer for sale, there has been no progress since my statement in the Budget Speech that certain aspects of the matter had been referred to the Honourable Attorney General.

It seems, however, that the facts outlined then have not been fully understood. There are those who persist in the view that the Government is delaying the transaction.

May I explain once more that the joint auditors of the company have been charged with valuation of the assets.

As business people you surely ap-

preciate that fair valuation of a going concern is generally based on realistic projections of price for the product which the business is producing and trading.

But the joint auditors, having stated that they were in no position to forecast future oil prices, adopted consultants' projections which anticipate continuing annual escalation in the price of oil to more than (US) \$100 per barrel in the year 2000.

In the circumstances the Government holds firmly to the view that the valuation fixed by the auditors is without commercial meaning. Surely, we are concerned with a fundamental principle, not a mere "ploy" as some seem to believe.

There has been some uncertainty, too, surrounding the viability of non-bank financial institutions. The majority are, I am assured, in sound financial condition, but there continues to be a threat to the integrity of the system owing to liquidity and other problems of a few institutions.

The Government continues to be concerned to protect the savings of depositors — particularly the small individual depositor.

To this end Cabinet has recently approved drafting instructions for the amendment of the Central Bank Act to give the bank stronger statutory powers to deal with institutions which are not properly managed.

The proposed amendments also provide for the creation of a deposit insurance fund which when in operation ought to contribute in no small measure to the restoration of confidence in non-bank financial institutions.

POSITIVE NOTE

On an equally positive note I can state that Parliament having approved legislation for the establishment of a Home Mortgage Bank, arrangements are being made for the bank to commence business around mid-year, thus signifying the start of a secondary market for home mortgages.

Notwithstanding the environment conducive to new investment which the Government has sought to create, representations are often made about difficulties encountered by the business community in dealing with Government departments and agencies.

Yet, the interface between Government and Business is a fact of life in the modern mixed economy.

such as we have here in Trinidad and Tobago.

I am satisfied that the issue is how to make the relations constructive and beneficial in the national interest, particularly in these times.

It was in keeping with this perception that I indicated in the 1985 Budget Speech policies and actions aimed at simplifying some of the administrative procedures affecting commercial activity and investment decisions.

You may be interested to know that progress has been made in plans for the "one-stop shop" to act as a clearing house for investment applications requiring official approvals and that I am in the process of streamlining the procedures for assessment of applications under the Aliens legislation.

I wish to assure you that this Government will continue to be re-

ceptive to suggestions which may promote business growth.

Ladies and gentlemen, I believe that I have said enough to suggest that apportioning blame and engaging in adversarial exchanges will contribute nothing to the national task of economic recovery.

I put it to you further that we risk greater danger and injury to ourselves and to our nation's prospects if we succumb to negativism. Instead, the times demand of all of

us a (1) high commitment to country; (2) a disposition to listen more attentively to and cultivate a sense of appreciation of each other's point of view; (3) an end to confrontation between management and labour; (4) the pursuit of higher levels of productivity; and, (5) recognition that we have to work for what we want.

The way forward rests on confidence and united effort

CSO: 3298/567

TRINIDAD AND TOBAGO

DISCUSSION OF POSSIBLE DEVALUATION CALLED WIDESPREAD

Port-of-Spain EXPRESS in English 2 Apr 85 pp 1, 40

[Article by Andy Johnson]

[Text] No one in the government is going to talk about it, Central Bank Governor Euric Bobb said last week, but muted dialogue on whether there should be an out and out devaluation of the local currency has been taking place at various levels in the society.

"You cannot possibly expect anyone in the Government to make comments in the press about a matter like that," Bobb said, when contacted on the matter last week. He said he preferred not even to enter into an intellectual discussion of the pros and cons about possible devaluation of the local currency because "It is of such a nature that almost anything you say has the possibility of being misinterpreted.

"It is too sensitive an issue," Bobb maintained.

But hints that the Ministry of Finance would be open to proper consideration of the factors that may make for a devaluation of the currency were dropped two weeks ago during a background session on the preparedness of the manufacturing sector to take advantage of the markets open to them under the Caribbean Basin Initiative.

One minister, making the point that the manufacturers had not done even some of the basic groundwork which would put them in line for the takeoff, said that "if you were to find that after you made the inputs and you were at the point of exporting and you found that it was necessary to devalue, then we could sit down and look at it."

It seemed, therefore, that at least in some quarters, the Government may have been considering the worth to the country, of whether to devalue the currency or not.

"We have recommended to the government that there be a devaluation of the dollar," David Wrigley, president of the Trinidad and Tobago Manufacturers Association, said when contacted last week. He said manufacturers felt that the level of inputs into their finished products was such that a direct devaluation would greatly assist on the import markets. He said that in some cases imported input accounted for more than 50 percent of the manufacturer's finished products, so that there was a "good chance" that a direct devaluation could work in this regard.

"Then there is also the feeling that a devaluation would do the society in general a lot of good, because of the current imperative to lower our standards of living," he said. But, Wrigley added, the general factors leading to a devaluation of a country's currency were demanding of "very difficult calculations" about which economists have varying points of view, and the presumed results could be just as amorphous.

He points to Jamaica, where the Jamaican dollar has been brought down in relation to the United States dollar to such an extent that, taken by itself, it should have been easy for their manufacturers to benefit on the export markets. "But, they have absolutely no foreign exchange to purchase their raw materials, so that in spite of cheap labour, the devaluation has made them no better off, because they cannot produce a lot of finished products.

Venezuela, on the other hand, Wrigley said, was in a slightly better position, since it had some foreign reserves to buy what it needed from outside and as a result of cheap available labour in certain sectors of the economy, "they are beginning to build up," as a result of a series of devaluations in recent years.

In our own case, however, Wrigley was one of those analysts of the economy who would point out that the 12 and six per cent stamp duty placed on various classes of imports and the 10 per cent charge on stipulated categories of foreign exchange sales were, in fact, examples of indirect devaluation of the local currency.

There is a mixed result to be expected from these measures, Wrigley pointed out. Whereas on the one hand, the price of consumer luxuries tended to be dropping at the moment, he said, the forecast is that the price of replacement stock would spiral, precisely as a result of the higher costs incurred in bringing them to the shelves and show-cases. The trick, according to him, was whether, faced with a consumer's shrinking buying power, the businessman could decide upon a price at which it would still be comfortable to afford the higher costs while maintaining lower prices.

One economic analyst who expresses fully the dilemma to be faced is Dennis Pantin, lecturer in economics at the St Augustine campus of the University of the West Indies.

Recommended by his colleagues as perhaps the best academic au-

thority on the subject of devaluation, Pantin said there has already been a devaluation "with regard to certain kinds of transactions," obviously referring to the stamp duty and the foreign exchange sales levy. "So that when you look at it there are at present three different exchange rates for the U.S. dollar in Trinidad, so you have partial devaluation.

Pantin said that while devaluation seems inevitable to him, the question is that it would not affect the two major foreign exchange earning exports from this country—oil and sugar. Oil is paid for in U.S. dollars and sugar prices are fixed by quota under the Lome Convention, thereby rendering their prices static in terms of the value of the local currency.

He was basing his response on the assumption that a direct devaluation of the local currency would be the option open to the Government, primarily in its effort to correct balance of payments deficits, which have been the case with the national budgets for two years running. A devaluation of the currency, he said, would simply give the Government more paper with which to pay its bills.

But what about its relation to imports and exports? Pantin said that "it is difficult to see how direct devaluation would work effectively, over and above the measures already taken.

There must be the bargaining for a substantial drop in imports and a corresponding escalation in exports. "In a lot of cases," he said, "there simply is no substitute for what we

import, so we have to keep on importing. And outside of oil and sugar there is precious little else that we export at the moment to make an impact where that is necessary in a devaluation. And even given that there were the volumes of non-traditional exports, whether or not they would indeed be competitive, Pantin said, would be a crucial question.

For its part, the Trinidad and Tobago Chamber of Industry and Commerce said it was at the moment "formulating a policy" on the matter of whether or not the Government should devalue the dollar.

Carmena Baird, general manager of the Chamber, said her organisation felt it was "a subject which needs to be studied thoroughly. How will it affect imports, exports and the cost of living?"

On the face of it, however, the Chamber may have mixed feelings about a devaluation since many of its members are involved in importing goods and services to sell in the local market, and devaluation could have a debilitating effect on their commerce. Exporters could make the most advantageous use of a direct devaluation, but given the scenario outlined earlier, the reality of that is tenuous. So the Government could move "expediently," as Pantin fears, to alter the numbers, simply to "balance their books and reduce their cash flow problem, and that would not necessarily be in the best interest of the economy in general, over the medium to long term, which, he said, is what such an action should have in mind.

TRINIDAD AND TOBAGO

TELCO MORE THAN HALF A BILLION DOLLARS IN DEBT ABROAD

Port-of-Spain TRINIDAD GUARDIAN in English 4 Apr 85 p 1

[Article by Gail Alexander]

[Text] Because of a reduction in government subsidies, the Trinidad and Tobago Telephone Company has been forced to turn to foreign sources for finance, in the process accumulating loans which stood at more than \$591 million at December 31, 1983.

Not only does Telco have to contend with settling that huge debt, but it also has to pay interest on the individual loans. At the same date--December 31, 1983--interest payable on those sums totalled \$49,337,859 million.

These facts have been presented to the Public Utilities Commission by Telco in support of its case for a rate increase. Formal hearing of the application will begin on April 23 by the PUC Tribunal.

In its statement--which was submitted to the PUC recently--Telco cited the fact that "its source and cost of funds have been affected adversely" since Government altered policy with regard to the company's subsidisation.

As a result, Telco said in its statement, the company was forced to turn to foreign sources for financial aid. This in turn increased the cost of funds because of a greater incidence of withholding tax levied on the individual amounts.

The situation led to the company accumulating loans to the tune of \$591,980,263, the total outstanding figure at December 31, 1983. Individual interest on the amount also stood at \$49,337,859 then.

Among the organisations from whom Telco requested and received loans are:

--Export Development Corporation of Canada--\$43,677,519 (loan balance), \$32,08,277 (interest) [as published]

--Export Import Bank of Japan--\$10,379,102 (loan balance), \$1,515,699 (interest)

--World Bank--\$18,354,007 (loan balance), \$1,129,318 (interest)

--National Insurance Board--\$2,700,000 (loan balance), \$254,860 (interest)

--Government Advances--\$365,795,450, (loan balance), \$29,912,545 (interest).

Facts in Telco's statement also revealed that the company's interest payable on overdraft facilities rose from 11.5 percent in 1982 to 13.5 percent in 1984. Its overdraft also increased from \$43.4 million in 1982 to \$82.5 million in 1984.

Operating Loss

As told, 1983--the fiscal year on which Telco's application is based--was not exactly its brightest, financially. Then, it recorded an operating loss of \$80,110,240, and accordingly earned no return.

However, it would appear that Telco may still be able to turn its 1983 outstanding loan total of over \$591 million to its advantage in the forthcoming PUC hearing of its case.

According to Section 16 of the Telephone Act, the greater the amount of outstanding loans, accumulated by a company, the greater an increase it can request.

Stating that its present rates do not permit the company to realise a return, Telco maintains in its case to the PUC that increases in operating expenses (i.e. labour, input costs) caused labour costs to rise from \$69 million in 1982 to a staggering \$108.2 million in 1984.

Under the proposed rates--which the company publicised last December--the Telephone Company said it intended to earn an annual return by 1989, which would cover its current interest payable by 2.25 times.

By then, it estimates the Telco subscriber base would have grown to a targeted size of 272,000 lines.

CSO: 3298/567

TRINIDAD AND TOBAGO

HUDSON-PHILLIPS SEES SEEDS OF TROUBLE IN DEWD ISSUE

Implications for Public Sector

Port-of-Spain EXPRESS in English 1 Apr 85 pp 1, 48

[Article by Deborah Jacob and Joannndra Archer]

[Text] "The DEWD (Development and Environmental Works Division) issue is only part of the larger economic issue at hand," Organisation for National Reconstruction (ONR) leader Karl Hudson-Phillips warned yesterday.

"Today it's DEWD but tomorrow it will be the other parts of the public sector," Hudson-Phillips said gloomily.

The ONR leader was commenting on the DEWD protests of last week which he described as being "symptomatic of the deep economic trouble into which the Government has led this country."

With due recognition to the economic problems which are present in this country, Hudson-Phillips said that his party's position on DEWD remains unchanged.

"In the 1981 general election, the People's National Movement (PNM) deliberately distorted our views on the DEWD programme. The ONR does not advocate banning the DEWD programme but we feel it must be restructured."

Pointing to the difficulties which now face the Government, Hudson-Phillips said: "Between 1983 and 1984, the government laid off 25,000 daily paid workers. We have had three successive budget deficits and are heading for another massive deficit this year. There's no indication that the government can handle the economic situation in this country.

"In 1985 they will scramble and borrow as much money as they can. They will have to borrow a lot of money just to pay salaries and that is crazy."

Hudson-Phillips accused the government of avoiding a number of pending issues while leading the country into deeper economic troubles.

"The government has been avoiding the issue of devaluation but that is something come it must under the present government particularly in light of the weakening of the U.S. dollar and the attempts made to commit imports to Europe and the United Kingdom.

"We're committed to import from Europe. The present weakening of the U.S. dollar resulting from the closing of the savings banks in Ohio and the subsequent rising value of the European currency means our expenses are rising.

"Given the history of loss recorded by the Central Bank and the fluctuation of the U.S. dollar you can expect an even greater loss to be recorded by the Central Bank because they have already demonstrated their inability to manage their foreign investment portfolio."

Under the current system, Hudson-Phillips said, DEWD workers are being exploited. "DEWD workers are paying national insurance--contributing to the system with no hope of ever qualifying for 13 consecutive weeks to draw their benefits. The government is using DEWD workers as a political football."

The ONR has proposed rationalisation of the whole DEWD programme by tying work to training. They suggest trade schools be located throughout the country and employment in the programme tied to attendance at the trade schools.

"We even suggested more productivity would be achieved by letting workers on the programme attend the work place from seven to 12 and then attend classes from one to four in order to qualify for employment on the following day."

"You see, DEWD workers and the population at large have a right to be angry about how the government has handled the DEWD programme as well as the economy as a whole," Hudson-Phillips ended.

Government Neglect

Port-of-Spain EXPRESS in English 2 Apr 85 p 40

[Text] **THE Government has neglected the recommendations from a 1979 ministerial committee aimed at improving the Development and Environmental Works Division, except for the one which called for a change of the programme's name, Karl Hudson-Phillips said yesterday.**

"The only recommendation which was implemented was the change of name from the Special Works Programme to DEWD," Hudson-Phillips, political leader of the Organisation for National Reconstruction, said in a statement on the burgeoning DEWD crisis.

Hudson-Phillips said the committee was set up "as a matter of urgency" to study and make recommendations on the steps necessary for the re-orientation of the programme. He said the committee recommended that the system of 10-day rotated employment in the programme be changed to a period of 40 days, during which time the worker could be trained on a modular course basis in a particular skill or craft.

This recommendation called at the same time for the worker to be given opportunity to accumulate

funds for improving his or her economic position.

Hudson-Phillips pointed out in the statement that Works Minister Hugh Francis was a member of the committee studying DEWD, which comes under his ministry.

The committee also recommended that registration of unemployed persons be decentralised and the recruitment of such persons for employment be done at centres throughout the country, under the control of the Ministry of Labour.

It also called for a system of testing the skills and abilities of persons employed in the programme by the John Donaldson Technical Institute as a precondition to their promotion.

Hudson-Phillips also pointed out a number of "weaknesses" which he said the committee on DEWD highlighted. Among those he referred to was the committee's observation that the final selection of workers for the 10-day work period was done usually under intimidating conditions and "in such an ad hoc manner that preference and regularity of employment are given to the individuals or members of groups on the Master List who can exert the most pressure or whose representatives have the most influence."

TRINIDAD AND TOBAGO

BRIEFS

VENEZUELAN THREAT TO FISHERMEN--San Fernando--Fishermen from Cedros and Icacos are continuing to operate in the Gulf of Paria but are doing so at great risk, said a spokesman yesterday. "We can be arrested by Venezuelan authorities and taken to the mainland," since our permits have expired, he said. But the fishermen are putting great hopes in Minister of External Affairs, Mr Errol Mahabir, and believed that he will be able to successfully negotiate new terms and conditions with the Venezuelan Government to allow them to carry on their trade unmolested. Mr Mahabir did "an excellent job in the Ministry of Labour, solving many problems and we feel that he is capable of solving the age-old fishing problems," said the spokesman. Earlier this week, Mr Mahabir met with the Ambassador of Venezuela, Mrs Maria Clemencia Lopez-Jimenez to discuss the recent reports of harassment of fishermen in the waters between Venezuela and Trinidad. They are to meet again early next month to discuss renewal of the fishing agreement between the governments of both countries. The agreement was last renewed in May. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 30 Mar 85 p 6]

MUSLIM LEADER'S WARNING--Should anyone touch that Mosque on the City Corporation lands down at Mucurapo Road, St. James, Port-of-Spain "rivers will flow, but not with crystal clear water." The leader of Jamaat al Muslimeen, Imam Yasin Abu Bakr made this declaration when he addressed a small Woodford Square, Port-of-Spain crowd last evening. He said the people of Trinidad and Tobago were oppressed, and he was bent on destroying oppression, therefore, he would not submit to the laws of the country. A former policeman who spent the majority of his nine years in the Mounted Branch, the Imam told the crowd he knew all about the wickedness of policemen. He said that two years ago the Police came to the premises under the pretext that they were looking for arms and ammunition, but they even intimately searched the bodies of female members. "One of these days, the same guns they were looking for in the private parts of our women may be pointed straight in their faces," he said. The Imam, who spent 21 days in prison for contempt of court, told the crowd that the late H.O.B. Wooding drafted laws for the country, but the late Prime Minister, Dr Eric Williams threw them in the waste paper basket. The Imam said, "they have a plan to divide and rule--we are oppressed, and there is no hope for this land, but there is one salvation for a slave, nobody surrenders power." [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 4 Apr 85 p 1]

CID TRANSFERS--Several well-known detectives in the Criminal Investigation Department (CID) of the Trinidad and Tobago Police Service have been transferred into uniform effective April 16. Most of the members affected in the

shakeup were members of the Flying Squad which was disbanded last year through a directive from the Ministry of National Security. The Flying Squad was formed in the early seventies and was a brainchild of Police Commissioner Randolph Burroughs, who is now on extended vacation. The transfer operation will affect officers from the rank of Assistant Superintendent to constable, according to a reliable source. These include members of the CID, Port-of-Spain, Robbery Squad, Narcotics Squad, and detectives from stations in the Northern Division. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 4 Apr 85 p 1]

STEEL EXPORTS--Central Trinidad Steel Limited (Centrin) has scored a major breakthrough in the export market. The company has concluded a marketing agreement with B.S. Livingston and Co. Inc. of New York for the Puerto Rico and Santo Domingo markets guaranteeing a minimum export of 20,000 metric tons of steel products a year. The agreement will earn foreign exchange earnings of US\$15 million (TT\$36 million) annually. The agreement was announced in a release issued by Centrin's Chairman, Mr Krishna Narinesingh, on his return from New York with Managing Director Mr Jack Ramoutarsingh and the Dansteel Group's Marketing Manager Keith Chin Cheong. "Centrin is now cautiously evaluating other options for the markets of Florida and other parts of the Continental United States, including a firm offer from B.S. Livingston and Co., Inc. which would take production for that marketeer alone up to an annual minimum of 50,000 metric tons or over 50 percent of the mill's capacity. A decision will be made very shortly." In response to a GUARDIAN inquiry, Mr Narinesingh pointed out that Centrin's export to these markets alone will result in foreign exchange earnings for Trinidad and Tobago of a minimum of US \$15,000,000 or TT\$36,000,000 annually, even at current depressed United States steel prices. [Excerpts] [Port-of-Spain TRINIDAD GUARDIAN in English 2 Apr 85 p 1]

ISCOTT U.S. PARTNERS--Iron and Steel Company of Trinidad and Tobago (ISCOTT) has secured two foreign partners to assist the State-owned company in its operations, Government disclosed in a surprise announcement last night. The firms which have agreed in principle along with the Government of Trinidad and Tobago to form a company to lease, manage and operate the steel making facilities of ISCOTT are Bechtel Operating Services and Laclede Steel Company, both American outfits. The announcement came as a surprise in that it was done in a normal Press statement and not at one of the more auspicious Press briefings where major announcements are made. On conclusion of the agreements the new Company will be owned 60 percent by the Government and 40 percent by a Bechtel/Laclede joint venture. The parties anticipate a long term lease of the facilities to be employed in the production of steel products which will be marketed in Trinidad and Tobago, the Caribbean and on the world market. Existing loans of ISCOTT and other liabilities of ISCOTT will continue to be the responsibility of ISCOTT and the existing undertakings of the Government in connection therewith, will be honoured by the Government. Based on preliminary studies undertaken so far by the proposed partners, it is expected that the new company will begin generating positive earnings within the second year of its operations. [Excerpts] [Port-of-Spain TRINIDAD GUARDIAN in English 4 Apr 85 p 1]

CENTRAL BANK CHANGES--There has been a major shift-around in senior personnel at the Central Bank. Henry Edward Sealey who was attached to the Bank Inspectorate has taken up the post as executive director of the Trinidad and Tobago Unit Trust Corporation (UTC) and has been replaced in his former position by Henry Jeffers, director of the Bank's Exchange Control Department. However, Jeffers is still with exchange control as no one has yet been named to succeed him. According to informed sources, Jeffers, who has been head of exchange control for over 9 years, is eager for a change from the hectic department which controls the flow of foreign exchange in and out of the country. Sealey's move to the UTC filled a vacant post created by the secondment of former UTC executive director Jerry Hospedales to the International Monetary Fund based in Washington D.C. Hospedales left the country 2 months ago to assume the position as an alternate director for Trinidad and Tobago on the IMF Board. Contacted yesterday Dr Euric Bobb, governor of the Central Bank, said he would not like to comment on the appointments at present.
[Text] [Port-of-Spain EXPRESS in English 2 May 85 p 1]

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URUGUAY

BROAD FRONT FACTIONS REVIEW REORGANIZATION PLANS

Montevideo BUSQUEDA in Spanish 28 Mar 85 p 12

[Text] A committee made up of all the member sectors of the Broad Front is studying the restructuring of the front, taking into consideration the majorities that within each group determined the outcome of the 1984 election, and the front's new position in the national political spectrum, with a view to organizing as a coalition capable of constituting a broad-based opposition and even projecting its actions to face the possibility of becoming the ruling party if the 1989 elections permit.

One of the basic aims of this restructuring of the Broad Front (FA) is to ensure that party decisions reflect the votes obtained. There are a total of 57 votes in the Broad Front Plenum, representing a total of 13 groups that make up five electoral factions, plus six independents: Liber Seregni, Juan Jose Crottogini, Jose D'Elia, Mariano Arana, Hugo Villar and Victor Licandro.

In addition to the 6 votes the independents now have, the votes are distributed as follows: Christian Democratic Party (6 votes); Communist Party, Leftist Liberty Front (FIDEL) and Broad Front Popular Movement (Rodriguez Camusso), 6 votes each, for a total of 18 for the "Advanced Democracy" faction.

The Independent Democratic Left (IDI) has 15 votes in the Plenum, which are divided up as follows: Pregon (Alba Roballo) 6 votes; Party for the Victory of the People and Broad Front Grassroots Nuclei, 1 vote each; Groups for Unified Action (GAU) and Nationalist Action Movement (MAN), 2 votes each; and the Popular Union (UP), 3 votes.

The Movement for Government by the People (which attained a majority within the coalition) has just 9 votes in the Plenum, divided as follows: Lista 99, 6 votes; Socialist Movement, 3 votes; and finally the Socialist Party, with 3 votes.

Since the front now has 13 member groups, compared to 23 in 1973, a restructuring is urgently needed. Another reason for quick action is to activate the grassroots committees and to give groups in the interior some maneuverability. Most of the party's leaders who have been following these changes have reached the conclusion that the restructuring should not be delayed.

Because of the importance of this issue, "Opinar" interviewed several top officials of the Broad Front to get an idea of what will happen, and where changes are likely to take place from now on.

"Broad Front, Period"

Senator Francisco Rodriguez Camusso (Advanced Democracy-Broad Front Popular Movement) told "Opinar" that the coalition to which he belongs is going through some changes, such as the emergence of a quantitatively and qualitatively significant number of members who consider themselves independent or who adhere to the political stance expressed by Gen Seregni.

This is "a real phenomenon which reveals that they support the Broad Front, period," he stated.

This means that it is necessary to create channels through which the independents can become leaders. He also advocated reducing the number of leaders, "because our decision-making is too slow, as happened with the amnesty issue; when there was a change, all sectors had to be considered, and that slowed down the Broad Front's consideration process."

Regarding the quantitative forms of representation in the Plenum, he stated that this element will have to be adjusted, "because we do not denigrate electoral expression."

Notwithstanding the above, however, he explained that political organization is valued in the Broad Front because it serves as an electoral channel and utilizes the capacity of the members, and that is definitely the ideological image its members give it. In sum, there are a number of values that should be amalgamated. The situation is even more complex, because it is a coalition of parties, and it does not intend to be a single party, he added.

Batalla: No Comment until Political Will Apparent

Senator Hugo Batalla declined to make any comment on the restructuring that his sector of the Broad Front (Lista 99, which won the majority of votes in the last election) intends to propose at the coalition meeting in April. He said that several members are drawing up a document that will express the political will of the group. The document will be concluded shortly after the tourism week.

Batalla even refused to express his personal opinion, announcing that he will make it public as soon as the working group has formulated the political will.

No Connection between Rank and File and Leaders

One of the principal reasons for revising the structure of the Broad Front is that there is no connection between the day-to-day life of the rank and file and the coalition leadership. Thus, direct channels must be established to form such a connection, stated Juan Carlos Oyenard, who is representing the Christian Democratic Party (PDC) on the committee that is working on the modifications of the FA's internal workings.

Another change that will be proposed is to hold an annual petition session (incoming), which is being demanded insistently at present. Suggestions also include a revision of the political groups that were represented in the 1984 election but have disappeared for one reason or another.

Oyenard stressed that the FA's representatives in party leadership should be elected as democratically as possible. He called for a political board on one side and an executive board on the other, to lend greater efficiency to the decision-making process.

He commented that the restructuring of the FA will require imagination and creativity, because there is no similar coalition of parties in Latin America to use as a reference. He also noted that the Broad Front's own experience as a legitimate coalition is limited (only 3 years).

It is a matter of creating a structure to enable the FA to serve as an opposition party, and at the same time to look toward becoming the ruling party in 1989. Therefore, the way it behaves during these 5 years will affect the coalition's entire image.

Arismendi: No Secret Formula

The general guidelines that the Communist Party will follow in helping to restructure the Broad Front include greater participation by the grassroots committees and the members in the interior of the country, stated the secretary general of that party, Rodney Arismendi.

"Based on that criterion," he said, "we will participate in the dialogue in hopes of finding a common standard. We do not have a secret formula to oppose the others. We contend that the restructuring should be based on a formula that arises from a consensus achieved in democratic debate."

Arismendi said that any restructuring formula should involve reforming the Plenum, because it is that body that allows for a democratic consensus to be achieved.

Roballo: Unfair to Follow Quantitative Results

"In my view, an organization based exclusively on quantitative electoral results could be unfair, because these things fluctuate," stated Dr Alba Roballo ("Pregon" Movement, former running mate of Zelmar Michelini and a founder of the Independent Democratic Left, which participated in the last elections), expressing her personal opinion.

"The treatment of the leaders who founded the Broad Front must be differentiated in certain cases, such as the groups whose leaders died in exile (like Erro), were in prison, or were tortured to death."

"For those who were in the resistance in 1973," Roballo went on, "it was no picnic dodging bullets. We have the example of the great vice-president, Crottoggini: Even though a bomb was planted in his home (by a miracle, his grandchildren escaped harm), he never let down his guard; he made the most

incredible rendezvous in the most surprising places, and that was how we kept the leftist coalition alive."

"I think it is time to quantify electoral preferences. The Lista 99 is not the only important one, in my view; there are other important elements and groups."

She also contended that the importance of what the Broad Front is studying lies in "how it will continue fighting," which is measured "in the most important sector, the front of the masses. The day the people forget about us, then we will have to give up," she said.

Unity Above All

The leader of the Leftist Liberty Front (FIDEL), Jaime Perez, told "Opinar" that the restructuring of the Broad Front must remain true to the origins of the coalition. From its birth on 5 February 1971, it went on to become a movement based on myriad grassroots committees.

"I think that if Popular Unity in Chile had been more than an alliance of political forces, but also grounded in grassroots committees at certain levels, it would not have met such a tragic demise," he said.

Jaime Perez noted that the Broad Front should adapt to the current situation, stating that he favors the "institutionalization" ("to use a term that is understandable") of the Plenum, so that it will be able to function month to month. The leaders should also "be able to operate not only day to day, but minute to minute."

Jaime Perez opined that it is very dangerous to operate on the basis of quantitative election results, because in this election in particular, "not all parties participated, and their principal leaders could not participate either, so it cannot be a total reflection of the will of all sectors."

He emphasized that he favors the restructuring because the organization of a political group must be in accordance with reality. Jaime Perez stated that despite this goal, the unity of the Broad Front must not be ignored. "The most important thing is to maintain its unity, as firm and indestructable as ever, because the oligarchy will do everything possible, through a psychological war aided by the services of the dictatorship that still exist, to give the impression that we are fragmented. We want to safeguard the Front," he stated.

Committee Already Installed

Oscar Botinelli, chairman of the Broad Front Restructuring Committee, told "Opinar" that the decision to proceed to modify the current workings of the coalition was born on 9 February 1972, when the need to ensure the participation of the national, departmental and local grassroots committees became apparent, in keeping with the goal of ensuring the representativeness of the party organization.

The issue of restructuring, he stated, was set aside later on, during the dictatorship, and was not picked up again until last 8 November, when the Plenum created the special committee to study the restructuring once the election took place. This working group has 13 delegates (one for each political sector) and a chairman (Botinelli).

Even before the committee was installed, it drew up the following agenda:

1) Participation of the grassroots committees in the structure and functioning of the committees, in political formulations and representation in leadership bodies; 2) participation and representation of members in the interior; 3) representation of the political sectors; 4) representation of independent Broad Front members; 5) executive structure of the Broad Front (channels of information, coordination and training); 6) creation of the Departmental Committee of Montevideo; 7) structure and functioning of caucuses and representation of the Front in legislative, governmental and administrative organs.

Along with this agenda, stressed Botinelli, the committee is studying the future organizational structure of the Broad Front. It is working as a general committee, openly, with full participation in the discussion of issues. All committee members will help draft and disseminate the conclusions to all the grassroots committees, and finally a congress of committees will be convened for the final discussion.

In all of this work, noted the chairman of the committee, it is important to take into account that the Broad Front is an atypical and unique structure, not only in this country but in the world. Another unique stage will be entered when the committees participate in decision-making. All of this is taking place as interrelated issues are explored and resolved.

Seregni in USSR

It was not possible to obtain the opinion of the president of the Broad Front on this issue, because he had just returned from his trip to the Soviet Union a few hours earlier. He had gone there to accept the Lenin Peace Prize, which had been awarded him in 1983.

Sources close to the chief of the Broad Front expressed regret that the president was unable to talk to "Opinar."

During Seregni's stay in Moscow, he was unanimously elected to the Collective Presidium of the World Peace Council (CMP). He also met with political leaders who attended the meeting of that organization in the Soviet capital, and also carried out a full agenda with the Soviet foreign trade minister, studying the possibility of selling Uruguayan products on the Soviet market.

8926

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URUGUAY

BRIEF

PDC DISSIDENTS FORM NEW GROUP--Citizens who have splintered off from the Christian Democratic Party (PDC), along with others from traditional political forces, last week formalized the creation of the "27 November Movement." They defined it as a pluralistic, democratic group, independent of any current political structure in the country. Among the founders of the movement are former Christian Democratic Deputies Daniel Sosa Diaz and Jose L. Veiga, who last year abandoned the PDC when it decided to rejoin the Broad Front. The movement was described as "independent of any current party, coalition or political structure in the country, without prejudice to its agreement with the progressive, majority political forces of the republic, which have been fighting for a long time for a program of profound structural change, through thoroughly democratic means." The movement expressed its adherence to the doctrine of Christian Democracy, and also expressed its repudiation of "any totalitarian ideology of any stripe, as well as messianic ideologies, whether promoted by civilians or military personnel, whose aim is to replace the popular will." [Text] [Montevideo BUSQUEDA in Spanish 28 Mar 85 p 9] 8926

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